



Reprinted
April 4, 2023

ENGROSSED

HOUSE BILL No. 1016

DIGEST OF HB 1016 (Updated April 3, 2023 2:30 pm - DI 87)

Citations Affected: IC 36-8.

Synopsis: Police and fire merit systems. Allows a fire protection district or fire protection territory to establish a merit system. Requires a unit's legislative body or the governing board of a district or territory to hold a public meeting not later than October 31, 2023, to consider and vote on a resolution proposing to establish a merit system for certain eligible: (1) city and town police and fire departments and township fire departments; and (2) fire protection districts and fire protection territories. Provides that if a resolution is adopted and a majority of the active members of the department vote to approve the resolution, the merit system is established on January 1 following the vote. Provides that if the legislative body or governing board holds a public meeting and does not adopt a resolution approving the establishment of a merit system, the active members of the department may, not later than October 31, 2024, hold a meeting to vote on whether the members recommend the establishment of a merit system. Provides that if a majority of the active members vote to recommend the establishment of a merit system, the legislative body or governing board shall, after receiving notice of the vote, hold a public meeting not later than April 30, 2025, to consider whether to establish a merit system for each eligible department. Specifies the manner by which a merit system established under these provisions may be amended or dissolved. Repeals a provision containing definitions and moves the definitions to another location. Makes conforming amendments.

Effective: July 1, 2023.

Pressel, Frye R, Bartels, Campbell

(SENATE SPONSORS — SANDLIN, ROGERS)

January 9, 2023, read first time and referred to Committee on Employment, Labor and Pensions.

January 19, 2023, reported — Do Pass.

January 23, 2023, read second time, ordered engrossed.

January 24, 2023, engrossed. Read third time, passed. Yeas 96, nays 0.

SENATE ACTION

February 23, 2023, read first time and referred to Committee on Pensions and Labor.

March 30, 2023, amended, reported favorably — Do Pass.

April 3, 2023, read second time, amended, ordered engrossed.

EH 1016—LS 6116/DI 87



Reprinted
April 4, 2023

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1016

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 36-8-2.2-1, AS ADDED BY P.L.140-2017,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 1. (a) This chapter applies only to a firefighter
4 who is a full-time, paid, nonprobationary member of a fire department.
5 (b) This chapter does not apply to any of the following:
6 (1) A member of the fire department who holds an upper level
7 policy making position.
8 (2) A member of the fire department who holds a position in the
9 fire department:
10 (A) that is not an upper level policy making position; and
11 (B) to which the member was appointed by the chief.
12 (3) A fire department, **fire protection district, or fire protection**
13 **territory** having a merit system established under IC 36-8-3.5.
14 SECTION 2. IC 36-8-3.5-0.1 IS ADDED TO THE INDIANA
15 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2023]: **Sec. 0.1. This chapter applies to the**
17 **following:**

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(1) A municipality or township that has a full-time paid police or fire department.

(2) A fire protection district established under IC 36-8-11.

(3) A fire protection territory established under IC 36-8-19.

SECTION 3. IC 36-8-3.5-0.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 0.2. As used in this chapter, "commission" refers to the merit commission for a merit system established under this chapter.**

SECTION 4. IC 36-8-3.5-0.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 0.3. As used in this chapter, "department" refers to:**

(1) the police department of a unit;

(2) the fire department of a unit;

(3) a district; or

(4) a territory.

SECTION 5. IC 36-8-3.5-0.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 0.4. As used in this chapter, "district" refers to a fire protection district established under IC 36-8-11.**

SECTION 6. IC 36-8-3.5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 0.5. As used in this chapter, "governing board" refers to the following:**

(1) In the case of a fire protection district, the board of fire trustees appointed under IC 36-8-11-12.

(2) In the case of a fire protection territory, the body or board delegated the responsibilities for overseeing the hiring, promotion, conduct, and discipline of the members of the department by the terms of the interlocal agreement entered into by the participating units of the fire protection territory.

SECTION 7. IC 36-8-3.5-0.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 0.6. As used in this chapter, "territory" refers to a fire protection territory established under IC 36-8-19.**

SECTION 8. IC 36-8-3.5-1, AS AMENDED BY P.L.13-2010, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 1. (a) This chapter section applies only to each a municipality or township that has a full-time paid police or fire**



department.

(b) A municipality may exercise the power of establishing a merit system for its police or fire department under this chapter or by ordinance adopted under IC 36-1-4-14. A township may exercise the power of establishing a merit system for its fire department under this chapter or by resolution under IC 36-1-4-14. This chapter does not affect merit systems established:

- (1) by ordinance under IC 36-1-4-14, except as provided by subsection ~~(e)~~ (f) and section 19.3 of this chapter;
- (2) by resolution under IC 36-1-4-14, except as provided by subsection ~~(f)~~ (g) and section 19.3 of this chapter; or
- (3) by a prior statute, except as provided by subsection ~~(b)~~ (c) and section 19.3 of this chapter.

~~(b)~~ (c) If a city had a merit system for its police or fire department under the former IC 18-4-12, IC 19-1-7, IC 19-1-14, IC 19-1-14.2, IC 19-1-14.3, IC 19-1-14.5, IC 19-1-20, IC 19-1-21, IC 19-1-29, IC 19-1-29.5, IC 19-1-31, IC 19-1-31.5, or IC 19-1-37.5, it may retain that system by ordinance of the city legislative body passed before January 1, 1983. The ordinance must initially incorporate all the provisions of the prior statute but may be amended by the legislative body after December 31, 1984. The ordinance retaining the system must be amended, if necessary, to include a provision under which the commission (or governing board of the merit system) has at least one-third (1/3) of its members elected by the active members of the department as prescribed by section 8 of this chapter. Each elected commission member must:

- (1) be a person of good moral character; and
- (2) except for a member of a fire department having a merit system established under IC 19-1-37.5, not be an active member of a police or fire department or agency.

~~(c)~~ (d) After December 31, 1984, the legislative body also may repeal the ordinance described in subsection ~~(b)~~; (c), but the legislative body shall in the repealing ordinance concurrently establish a new merit system under section 3 of this chapter. (This subsection does not require the legislative body to establish a new merit system when it exercises its power to amend the ordinance under subsection ~~(b)~~; (c).) After the new merit system takes effect, all members of the department are entitled to the same ranks and pay grades the members held under the prior system, subject to changes made in accordance with this chapter.

~~(d)~~ (e) If a city had a merit system for its police or fire department under a prior statute but fails to retain that system under subsection ~~(b)~~;



(c), the city legislative body shall, before July 1, 1983, pass an ordinance to establish a new merit system under section 3 of this chapter. If the new merit system is approved as provided by section 4 of this chapter, it takes effect as provided by that section. However, if the new merit system is rejected under section 4 of this chapter, within thirty (30) days the city legislative body shall adopt an ordinance to retain the prior merit system. The prior merit system remains in effect until the new merit system takes effect, after which time all members of the department are entitled to the same ranks and pay grades the members held under the prior system, subject to changes made in accordance with this chapter.

(e) (f) An ordinance adopted under IC 36-1-4-14 to establish a police or fire merit system must include a provision under which the commission, or governing board of the merit system, has at least one-third (1/3) of its members elected by the active members of the department as prescribed by section 8 of this chapter. Each elected commission member must be a person of good moral character who is not an active member of a police or fire department or agency. If an ordinance was adopted under IC 36-1-4-14 before July 1, 1988, the ordinance must be amended to include this requirement.

(f) (g) This chapter does not prevent a township or other unit that has adopted a merit system under section 3 or 5.5 of this chapter from later amending or deleting any provisions of the merit system contained in this chapter. However, the merit system must include a provision under which the commission has at least one-third (1/3) of its members elected by the active members of the department, as set forth in section 8 of this chapter and a provision that incorporates the requirements of section 6(a) 6(b) of this chapter. This subsection does not require the legislative body to establish a new merit system when it exercises its power to amend under this subsection.

SECTION 9. IC 36-8-3.5-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 1.1. (a) This section applies only to a district or territory.**

(b) The governing board may, by resolution, establish a merit system under this chapter. Before the merit system takes effect, however, the merit system must be approved by a majority of the active members of the department in a referendum as provided in section 4 of this chapter. The governing board shall specify in the adopting resolution which provisions of this chapter are being adopted that are:

(1) applicable to the district or territory; and



(2) left to the governing board's discretion;
under this chapter.

(c) This chapter does not prevent a district or territory that has adopted a merit system under this chapter from later amending or deleting any provisions of the merit system contained in this chapter. However, the merit system must include a provision under which the commission has at least one-third (1/3) of its members elected by the active full-time members of the department, as set forth in section 8 of this chapter and a provision that incorporates the requirements of section 6(c) of this chapter. This subsection does not require the governing board under subsection (b) to establish a new merit system when the governing board exercises its power to amend under this subsection.

SECTION 10. IC 36-8-3.5-2 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 2: ~~As used in this chapter:~~

~~"Commission" refers to the merit commission for a merit system established under this chapter.~~

~~"Department" refers to the police or fire department of a unit.~~

SECTION 11. IC 36-8-3.5-4, AS AMENDED BY P.L.127-2017, SECTION 227, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4. (a) Within sixty (60) days after the adoption of an ordinance or resolution establishing a merit system, the safety board **or governing board** shall give at least three (3) weeks' notice to all active members of the department that a meeting will be held to approve or reject the merit system. The notice shall be given by posting it in prominent places in all stations of the department. The notice must designate the time, place, and purpose of the meeting.

(b) A copy of the ordinance or resolution shall be distributed to each active member of the department at least one (1) week before the date of the meeting.

(c) Only active members of the department may attend the meeting, and at the meeting one (1) of them shall be selected as chair. All voting must be by secret written ballot. The other procedures for holding the meeting may be determined by the safety board **or governing board** and shall be posted in accordance with subsection (a).

(d) If a majority of the active members of the department vote to approve the merit system, the merit system takes effect on January 1 following the vote. Appointments to the merit commission shall be made by March 1 following that January 1.

(e) If a majority of the active members of the department vote to reject the merit system, another proposal may not be put to a vote within one (1) year after the day the meeting is held.



SECTION 12. IC 36-8-3.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) A majority of the active members of the department, by referendum under section 4 of this chapter, may request the:

(1) unit's legislative body; or

(2) governing board;

to establish a merit system for the department.

(b) The unit's legislative body or the governing board shall vote on the request within sixty (60) days after it the request is filed with the following:

(1) In the case of a unit:

(A) the clerk of the legislative body of a county or a municipality; or

(B) the executive of a township.

(2) In the case of a district or territory, the governing board.

(c) If the unit's legislative body votes to grant the request, the legislative body shall adopt an ordinance or resolution establishing a merit system under this chapter. If the governing board votes to grant the request, the governing board shall adopt a resolution establishing a merit system under this chapter. A copy of the ordinance or resolution shall be distributed to each active member of the department, and another referendum under section 4 of this chapter is required before the merit system takes effect.

(d) If the unit's legislative body or a governing board votes to deny the request, the request may not be resubmitted to the legislative body or governing board for one (1) year. Before the request may be resubmitted, another referendum under section 4 of this chapter must be held.

SECTION 13. IC 36-8-3.5-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5.5. (a) This section applies to the following:

(1) A unit that:

(A) has an eligible police department or fire department; and

(B) does not have a merit system established under:

(i) this chapter;

(ii) IC 36-1-4-14; or

(iii) a prior statute and retained by ordinance as provided in section 1(c) of this chapter;

for an eligible police department, fire department, or both.

(2) A district or a territory that is an eligible fire department.



1 (b) For purposes of this section, a police department is eligible
2 if the police department:

- 3 (1) has at least twelve (12) active full-time, paid members; and
4 (2) provides service to a geographic area that has a resident
5 population of at least ten thousand (10,000), excluding the
6 resident population of any geographic area that the
7 department provides service to under a mutual aid
8 agreement.

9 (c) For purposes of this section, a fire department is eligible if
10 the fire department:

- 11 (1) has at least twelve (12) active full-time, paid members; and
12 (2) provides service to a geographic area that has a resident
13 population of at least ten thousand (10,000):

14 (A) excluding the resident population of any geographic
15 area that the department provides service to under a
16 mutual aid agreement; and

17 (B) including the resident population of any geographic
18 area within a district or territory.

19 (d) Not later than October 31, 2023, the unit's legislative body
20 or the governing board of the district or territory shall hold a
21 public meeting to consider whether to establish a merit system for
22 each eligible department.

23 (e) The following apply to a public meeting held under
24 subsection (d) or (g):

25 (1) The legislative body or governing board shall list, as an
26 item for consideration on the agenda for the meeting, whether
27 to establish a merit system for each eligible department.

28 (2) Members of the public must be permitted to provide
29 testimony at the meeting.

30 (3) The members of the legislative body or governing board
31 shall vote at the conclusion of the meeting on a resolution
32 proposing to establish a merit system for each eligible
33 department.

34 (f) This subsection applies if a legislative body or governing
35 board adopts a resolution under subsection (e)(3) approving the
36 establishment of a merit system by an affirmative vote of at least
37 a majority of its members. The active full-time, paid members of
38 the department shall vote to approve or reject the resolution
39 adopted by the legislative body or governing board in accordance
40 with the procedure set forth in section 4(a) through 4(c) of this
41 chapter. If a majority of the active members of the department
42 vote to approve the resolution, the merit system is established on



January 1 following the vote. The following apply to the merit system:

(1) The merit system shall be considered to be established by an ordinance or resolution that adopts all of the mandatory and discretionary provisions of this chapter applicable to the establishing unit, district, or territory.

(2) Not later than March 1 following the vote, a merit commission shall be appointed that establishes or administers policies based on merit for the appointment, promotion, demotion, and dismissal of members of the department as set forth in this chapter.

(g) This subsection applies if a legislative body or governing board holds a public meeting under subsection (d) before November 1, 2023, and does not adopt a resolution under subsection (e)(3) approving the establishment of a merit system by an affirmative vote of at least a majority of its members. Not later than October 31, 2024, the active full-time, paid members of the department may hold a meeting to vote on whether the members recommend the establishment of a merit system. The following apply to a meeting under this subsection:

(1) The safety board shall give at least three (3) weeks' notice to all active members of the department that a meeting will be held to vote on whether the members recommend the establishment of a merit system.

(2) The notice shall be given by posting it in prominent places in all stations of the department. The notice must designate the time, place, and purpose of the meeting.

(3) A copy of the notice shall be distributed to each active member of the department at least one (1) week before the date of the meeting.

(4) Only active members of the department may attend the meeting, and at the meeting one (1) of them shall be selected as chair.

(5) All voting must be by secret written ballot.

(6) The other procedures for holding the meeting may be determined by the safety board and shall be posted in accordance with subdivision (2).

If a majority of the active members of the department vote to recommend the establishment of a merit system, the safety board shall provide written notice of the vote to the unit's legislative body or the governing board of the district or territory, as applicable. A legislative body or governing board that receives written notice



under this subsection shall hold a public meeting not later than April 30, 2025, to consider whether to establish a merit system for each eligible department. The requirements described in subsections (e) and (f) apply to the public meeting and the actions that must be taken following the public meeting.

(h) After January 1, 2024, a merit system established under this section may be amended or dissolved as follows:

(1) The merit system may be amended by the:

(A) unit's legislative body adopting an ordinance or resolution as provided in section 1(g) of this chapter; or

(B) governing board adopting a resolution under section 1.1 of this chapter;

that has the effect of amending or deleting provisions of the merit system that are left to the discretion of the unit, district, or territory under this chapter.

(2) A merit system may be dissolved by following the procedure for establishing or rejecting a merit system under section 4 or 5 of this chapter. The dissolution takes effect on January 1 following the vote of at least a majority of the:

(A) active full-time paid members of the department to approve the ordinance or resolution dissolving the merit system under section 4 of this chapter; or

(B) members of the unit's legislative body or governing board to adopt the ordinance or resolution to dissolve the merit system under section 5 of this chapter, whichever is appropriate.

(i) If a majority of the active members of the department vote to reject the merit system under subsection (f), another proposal may not be put to a vote within one (1) year after the day the meeting is held.

SECTION 14. IC 36-8-3.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. (a) A merit commission consisting of five (5) commissioners shall be established for:

(1) each department of a unit;

(2) a district; or

(3) a territory;

having a merit system.

(b) The commissioners of a unit are:

(1) two (2) persons, who must be of different political parties, appointed by the unit's executive;

(2) one (1) person appointed by the unit's legislative body; and



(3) two (2) persons, who must be of different political parties, elected by the active members of the department. Notwithstanding IC 36-1-8-10, political affiliation shall be determined through the voters' registration records of the three (3) most recent primary elections.

(c) The commissioners of a district or territory are:

(1) the members of the governing board; and

(2) two (2) persons, who must be of different political parties, elected by the active members of the department.

Notwithstanding IC 36-1-8-10, the political affiliation of the persons appointed under subdivision (2) shall be determined through the voters' registration records of the three (3) most recent primary elections.

~~(b)~~ (d) Each This subsection does not apply to a commissioner who is a member of the governing board of a district or territory. A commissioner must have been a legal resident of the unit, **district, or territory** for three (3) consecutive years immediately preceding the commissioner's term and must be a person of good moral character. The **unit's** legislative body may, upon the recommendation of the safety board, determine a per diem to be paid to each commissioner for each day of actual service for the commission. **The governing board may determine a per diem to be paid to each commissioner appointed under subsection (c)(2) for each day of actual service for the commission.** A commissioner must be at least twenty-one (21) years of age. A commissioner may not be an active member of a police or fire department or agency and not more than two (2) of the commissioners may be past members of a police or fire department or agency. In addition, a person may not serve on the commission if the person receives any remuneration as salary from the unit.

~~(e)~~ (e) Each commissioner shall take an oath of office to conscientiously discharge the commissioner's duties. A signed copy of the oath shall be filed with the safety **board of a unit or the governing board.**

SECTION 15. IC 36-8-3.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) **This subsection applies only to a unit.** The term of a commissioner is four (4) years. However, one (1) of the executive's initial selections and one (1) of the department's initial selections are for terms of two (2) years.

(b) This subsection applies only to a district or territory. A commissioner who is a member of the governing board serves on the commission until the member ceases to be a member of the governing board. The term of a commissioner elected by the



1 **department under section 6(c)(2) of this chapter is four (4) years.**
 2 **However, the initial term of one (1) of the commissioners elected by**
 3 **the department is for a term of two (2) years.**

4 ~~(b)~~ **(c)** A vacancy on the commission shall be filled within thirty
 5 (30) days by the appointing or electing authority. The selection is for
 6 the remainder of the unexpired term.

7 ~~(c)~~ **(d)** A commissioner **appointed by the unit's legislative body**
 8 serves at the pleasure of the appointing or electing authority and may
 9 be removed at any time. In the case of a commissioner elected by the
 10 department, the safety board **or governing board** shall call a meeting
 11 of the active members of the department under the procedures specified
 12 in section 4 of this chapter if a recall petition signed by a majority of
 13 the active members is submitted to the board.

14 SECTION 16. IC 36-8-3.5-8, AS AMENDED BY P.L.127-2017,
 15 SECTION 228, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2023]: Sec. 8. (a) An election to be made by the
 17 active members of the department shall be made at a meeting called
 18 specifically for that purpose by the safety **board or governing** board.
 19 The **safety board or governing board** shall give at least three (3)
 20 weeks' notice of the meeting to all active members of the department
 21 by posting the notice in prominent locations in stations of the
 22 department. The notice shall also be read during shift roll calls. The
 23 notice must designate the time, place, and purpose of the meeting.

24 (b) Only active members of the department may attend the meeting,
 25 and at the meeting one (1) of them shall be selected as chair. All voting
 26 must be by secret written ballot. The other procedures for holding the
 27 meeting may be determined by the safety board **or governing board**
 28 and shall be posted in accordance with subsection (a).

29 SECTION 17. IC 36-8-3.5-9 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) ~~Within~~ **Not later**
 31 **than** thirty (30) days after the commission is selected, the commission
 32 shall adopt rules to govern the commission, including the time and
 33 place of regular monthly meetings and special meetings that are
 34 necessary to transact the business of the commission. A majority of the
 35 commissioners constitutes a quorum, and a majority vote of all the
 36 commissioners is necessary to transact the business of the commission.
 37 Each year the commissioners shall select from among ~~their number~~ **the**
 38 **commissioners** a president, vice president, and secretary. The
 39 commission shall keep a permanent record of its proceedings.

40 (b) **In the case of a unit**, the commission shall submit a proposed
 41 annual budget to the unit as other budgets of the unit are submitted.
 42 The legislative body shall include in its budget an amount sufficient for



the necessary expenses of the commission.

(c) The commissioners for a territory or district who are:

- (1) members of the governing board may not receive a per diem for serving on the commission, but may receive compensation for expenses actually incurred in the performance of a commissioner's duties; and**
- (2) described in section 6(c)(2) of this chapter may receive a per diem for serving on the commission and compensation for expenses actually incurred in the performance of a commissioner's duties.**

SECTION 18. IC 36-8-3.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 10. (a) Within ninety (90) days after the commission is selected, the commission shall adopt rules governing:

- (1) the selection and appointment of persons to be employed as members of the department, subject to applicable pension statutes;
- (2) promotions and demotions of members of the department; and
- (3) disciplinary action or dismissal of members of the department.

(b) Before the rules required by this chapter are adopted by the commission, the commission must hold a public hearing to consider the adoption of the proposed rules. At least ten (10) days before the public hearing, the commission must have a notice of the hearing published in accordance with IC 5-3-1. The notice must state the time and place of the hearing and give briefly the subject matter of the proposed rules.

(c) At least ten (10) days before the hearing, one (1) copy of the proposed rules must be placed on file **in as follows:**

(1) In the case of a unit, the office of the:

- (1) (A) clerk of a county, city, or town; or**
 - (2) (B) executive of a township;**
- for inspection by residents of the unit.

(2) In the case of a district or territory, the office of the:

- (A) county legislative body of each county in which the district or territory is located;**
 - (B) governing board; and**
 - (C) clerk of each city or town and the executive of each township that is:**
 - (i) located in; and**
 - (ii) part of the district or territory;**
- for inspection by residents of the district or territory.**

(d) At least ten (10) days before the hearing, three (3) copies of the proposed rules must be forwarded to the chief of the department and



1 retained on file in the chief's office for inspection at all times by
2 members of the department.

3 (e) At the hearing, any interested person of the unit, **district, or**
4 **territory** and any member of the department must be afforded an
5 opportunity to present both oral and written evidence on any matter
6 relating to the adoption of the proposed rules. The commission shall
7 give due consideration to this evidence in making ~~its~~ **the commission's**
8 final decision concerning the adoption of the proposed rules.

9 SECTION 19. IC 36-8-3.5-11, AS AMENDED BY P.L.127-2017,
10 SECTION 229, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2023]: Sec. 11. (a) The commission may
12 appoint and remove members of the department, except for a member
13 in an upper level policymaking position. The executive of the unit **or**
14 **the governing board** shall appoint and may remove a member in an
15 upper level policymaking position.

16 (b) The chief of a fire department shall be selected from the
17 members of the department, and the chief must have at least five (5)
18 years service in the department before the chief's appointment. These
19 requirements may be waived by a majority vote of the:

20 (1) unit's legislative body upon request of the unit's executive; **or**

21 (2) **governing board**.

22 However, the chief must still have at least five (5) years service in a
23 full-time, paid fire department or agency.

24 (c) To be appointed chief or deputy chief of a police department, an
25 applicant must meet the qualifications in IC 36-8-4-6.5.

26 (d) The removal of a member from an upper level policymaking
27 position is removal from rank only and not from the department. When
28 the member is removed, the member shall be appointed by the
29 commission to the rank in the department that the member held at the
30 time of the member's upper level appointment or to any rank to which
31 the member had been promoted during the member's tenure in the
32 upper level position. If such a rank is not open in either case, the
33 member is entitled to the pay of that rank and shall be promoted to that
34 rank as soon as an opening is available.

35 SECTION 20. IC 36-8-3.5-16, AS AMENDED BY P.L.127-2017,
36 SECTION 233, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2023]: Sec. 16. (a) When a vacancy in rank
38 occurs, the commission shall certify to the chief of the department the
39 three (3) members with the highest scores on the eligibility list for that
40 particular rank. Within six (6) months the commission, upon the
41 recommendation of the chief, shall promote one (1) of those members
42 to fill the vacant position.



(b) All promotions are probationary for a period not to exceed one (1) year. At the end of the period, a probationary member's superior shall review the member's performance and recommend to the commission that:

- (1) the promotion be made permanent; or
- (2) the promotion be revoked.

(c) The commission shall prepare a rating chart for the superior's use in making the report. The commission shall review the report and decide what action should be taken. The probationary member is entitled to appear before the commission and be heard on any matter detrimental to the member in the report of the member's superior. The member is also entitled to be represented by counsel or another representative of the member's choice. If the promotion is finally revoked the member may not be returned to a rank lower than that the member held before the probationary promotion.

(d) Actions by the commission other than making the promotion permanent may be appealed within thirty (30) days to the circuit or superior court of the county, with the unit, **district, or territory** being named as the sole defendant.

SECTION 21. IC 36-8-3.5-17, AS AMENDED BY P.L.84-2016, SECTION 180, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 17. (a) The commission may take the following disciplinary actions against a regular member of the department:

- (1) Suspension with or without pay.
- (2) Demotion.
- (3) Dismissal.

If a member is suspended under this subsection, the member is entitled to the member's remuneration and allowances for insurance benefits to which the member was entitled before the suspension. In addition, the ~~local~~ unit, **territory, or district** may provide the member's allowances for any other fringe benefits to which the member was entitled before the suspension. The commission shall determine if a member of the department who is suspended in excess of five (5) days shall continue to receive the member's salary during suspension.

(b) A member may be disciplined by the commission if:

- (1) the member is convicted of a crime; or
- (2) the commission finds the member guilty of a breach of discipline, including:
 - (A) neglect of duty;
 - (B) violation of commission rules;
 - (C) neglect or disobedience of orders;



- (D) continuing incapacity;
- (E) absence without leave;
- (F) immoral conduct;
- (G) conduct injurious to the public peace or welfare;
- (H) conduct unbecoming a member; or
- (I) furnishing information to an applicant for appointment or promotion that gives that person an advantage over another applicant.

(c) If the chief of the department, after an investigation within the department, prefers charges against a member of the department for an alleged breach of discipline under subsection (b), including any civilian complaint of an alleged breach of discipline under subsection (b)(2)(F), (b)(2)(G), or (b)(2)(H), a hearing shall be conducted upon the request of the member. If a hearing is requested within five (5) days of the chief preferring charges, the parties may by agreement designate a hearing officer who is qualified by education, training, or experience. If the parties do not agree within this five (5) day period, the commission may hold the hearing or designate a person or board to conduct the hearing, as provided in the commission's rules. The designated person or board must be qualified by education, training, or experience to conduct such a hearing and may not hold an upper level policy making position. The hearing conducted under this subsection shall be held within thirty (30) days after it is requested by the member.

(d) Written notice of the hearing shall be served upon the accused member in person or by a copy left at the member's last and usual place of residence at least fourteen (14) days before the date set for the hearing. The notice must state:

- (1) the time and place of the hearing;
- (2) the charges against the member;
- (3) the specific conduct that comprises the charges;
- (4) that the member is entitled to be represented by counsel or another representative of the member's choice;
- (5) that the member is entitled to call and cross-examine witnesses;
- (6) that the member is entitled to require the production of evidence; and
- (7) that the member is entitled to have subpoenas issued, served, and executed.

(e) The commission may:

- (1) compel the attendance of witnesses by issuing subpoenas;
- (2) examine witnesses under oath; and
- (3) order the production of books, papers, and other evidence by



1 issuing subpoenas.

2 (f) If a witness refuses to appear at a hearing of the commission after
3 having received written notice requiring the witness's attendance, or
4 refuses to produce evidence that the commission requests by written
5 notice, the commission may file an affidavit in the circuit court,
6 superior court, or probate court of the county setting forth the facts of
7 the refusal. Upon the filing of the affidavit, a summons shall be issued
8 from the circuit court, superior court, or probate court and served by
9 the sheriff of the county requiring the appearance of the witness or the
10 production of information or evidence to the commission.

11 (g) Disobedience of a summons constitutes contempt of the circuit
12 court, superior court, or probate court from which the summons has
13 been issued. Expenses related to the filing of an affidavit and the
14 issuance and service of a summons shall be charged to the witness
15 against whom the summons has been issued, unless the circuit court,
16 superior court, or probate court finds that the action of the witness was
17 taken in good faith and with reasonable cause. In that case, and in any
18 case in which an affidavit has been filed without the issuance of a
19 summons, the expenses shall be charged to the commission.

20 (h) A decision to discipline a member may be made only if the
21 preponderance of the evidence presented at the hearing indicates such
22 a course of action.

23 (i) A member who is aggrieved by the decision of a person or board
24 designated to conduct a disciplinary hearing under subsection (c) may
25 appeal to the commission within ten (10) days of the decision. The
26 commission shall on appeal review the record and either affirm,
27 modify, or reverse the decision on the basis of the record and such oral
28 or written testimony that the commission determines, including
29 additional or newly discovered evidence.

30 (j) The commission, or the designated person or board, shall keep
31 a record of the proceedings in cases of suspension, demotion, or
32 dismissal. The commission shall give a free copy of the transcript to the
33 member upon request if an appeal is filed.

34 SECTION 22. IC 36-8-3.5-18, AS AMENDED BY P.L.127-2017,
35 SECTION 234, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2023]: Sec. 18. (a) A member who is aggrieved
37 by a decision of the commission to suspend the member for a period
38 greater than ten (10) calendar days, demote the member, or dismiss the
39 member may appeal to the circuit or superior court of the county **as**
40 **follows:**

41 (1) **The county** in which the unit is located.

42 (2) **The county in which the provider unit (as defined in**



1 **IC 36-8-19-3) of the territory is located.**

2 **(3) If a district is located in:**

3 **(A) not more than one (1) county, the county in which the**
 4 **district is located; or**

5 **(B) at least two (2) counties, the primary county (as defined**
 6 **in IC 36-8-11-2).**

7 (b) The appeal shall be made according to the Indiana rules of trial
 8 procedure with the following exceptions:

9 (1) The verified appeal must be filed within thirty (30) days after
 10 the date of the board's decision.

11 (2) The unit, **district, or territory** shall be named as the sole
 12 defendant.

13 (3) The unit, **district, or territory** is assumed to have denied the
 14 allegations without filing a responsive pleading.

15 (4) The plaintiff must file a bond at the time of filing the
 16 complaint conditioned on the plaintiff prosecuting the appeal to
 17 a final determination and paying the court costs incurred in the
 18 appeal.

19 (5) Within thirty (30) days after the service of summons the
 20 commission shall file in court a complete transcript of all papers,
 21 entries, and other parts of the record relating to the case.

22 (c) The appeal takes precedence over other litigation pending before
 23 the court.

24 SECTION 23. IC 36-8-3.5-21, AS AMENDED BY P.L.127-2017,
 25 SECTION 236, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2023]: Sec. 21. (a) If it is necessary for the
 27 safety board **or governing board** to reduce the number of members of
 28 the department, the reduction shall be made by granting a temporary
 29 leave of absence, without pay or financial obligation to the unit,
 30 **territory, or district**, to the appropriate number of members. The last
 31 member appointed shall be put on leave first, with other members also
 32 put on leave in reverse hiring order, until the desired level is achieved.

33 (b) If the department is increased in number again, the members of
 34 the department who have been granted leaves of absence under this
 35 section shall be reinstated before an applicant on the eligibility list is
 36 appointed to the department. The reinstatements begin with the last
 37 member granted a leave.

38 (c) A member on leave of absence shall keep the commission
 39 advised of the member's current address. A member shall be informed
 40 of the member's reinstatement by written notice. Within ten (10)
 41 calendar days after a member receives notice of reinstatement, the
 42 member must advise the commission that the member accepts



1 reinstatement and will be able to commence employment on the date
 2 specified in the notice. All reinstatement rights granted to a member
 3 terminate upon the member's failure to accept reinstatement within that
 4 period.

5 SECTION 24. IC 36-8-11-15, AS AMENDED BY P.L.127-2017,
 6 SECTION 270, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) The board:

8 (1) has the same powers and duties as a township executive with
 9 respect to fire protection functions, including those duties and
 10 powers prescribed by IC 36-8-13, although all cooperative and
 11 joint actions permitted by that chapter must be undertaken
 12 according to this chapter;

13 (2) has the same powers and duties as a township executive
 14 relative to contracting with volunteer firefighting companies, as
 15 prescribed by IC 36-8-12 and IC 36-8-13;

16 (3) shall appoint, fix the compensation, and prescribe the duties
 17 of a fiscal officer, secretarial staff, persons performing special and
 18 temporary services or providing legal counsel, and other
 19 personnel considered necessary for the proper functioning of the
 20 district; however, a person appointed as fiscal officer must be
 21 bonded by good and sufficient sureties in an amount ordered by
 22 the county legislative body to protect the district from financial
 23 loss;

24 (4) shall exercise general supervision of and make regulations for
 25 the administration of the district's affairs;

26 (5) shall prescribe uniform rules pertaining to investigations and
 27 hearings;

28 (6) shall supervise the fiscal affairs and responsibilities of the
 29 district;

30 (7) may delegate to employees of the district the authority to
 31 perform ministerial acts, except in cases in which final action of
 32 the board is necessary;

33 (8) shall keep accurate and complete records of all departmental
 34 proceedings, record and file all bonds and contracts, and assume
 35 responsibility for the custody and preservation of all papers and
 36 documents of the district;

37 (9) shall make an annual report to the executive and the fiscal
 38 body of the county that at least lists the financial transactions of
 39 the district and a statement of the progress in accomplishing the
 40 purposes for which the district has been established;

41 (10) shall adopt a seal and certify all official acts;

42 (11) may sue and be sued collectively by its legal name ("Board



of Fire Trustees, _____ Fire Protection District"), with service of process made on the chair of the board, but costs may not be taxed against the members individually in an action;

(12) may invoke any legal, equitable, or special remedy for the enforcement of this chapter or of proper action of the board taken in a court;

(13) shall prepare and submit to the fiscal body of the county an annual budget for operation and maintenance expenses and for the retirement of obligations of the district, subject to review and approval by the fiscal body;

(14) may, if advisable, establish one (1) or more advisory committees;

(15) may enter into agreements with and accept money from a federal or state agency and enter into agreements with a municipality located within or outside the district, whether or not the municipality is a part of the district, for a purpose compatible with the purposes for which the district exists and with the interests of the municipality;

(16) may accept gifts of money or other property to be used for the purposes for which the district is established;

(17) may levy taxes at a uniform rate on the real and personal property within the district;

(18) may issue bonds and tax anticipation warrants;

(19) may incur other debts and liabilities;

(20) may purchase or rent property;

(21) may sell services or property that are produced incident to the operations of the district making a fair and reasonable charge for it;

(22) may make contracts or otherwise enter into agreements with public or private persons and federal or state agencies for construction, maintenance, or operations of or in part of the district;

(23) may receive and disburse money; ~~and~~

(24) may impose a false alarm fee or service charge under IC 36-8-13-4;

(25) may, subject to the approval of the active members of the fire department in a referendum, adopt a merit system under IC 36-8-3.5; and

(26) shall serve as merit commissioners if a merit system is adopted under IC 36-8-3.5.

(b) Powers granted by this chapter may be used only to accomplish the purpose or purposes as stated in the ordinance or resolution



1 establishing the district. However, an act of the board necessary and
2 proper to accomplish the purposes for which the district is established
3 is not invalid because it incidentally accomplishes a purpose other than
4 one for which the district is established.

5 SECTION 25. IC 36-8-19-6.6 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2023]: **Sec. 6.6. A merit system may be**
8 **adopted under IC 36-8-3.5 for a fire protection territory.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1016, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1016 as introduced.)

VANNATTER

Committee Vote: Yeas 13, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1016, 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:

Page 7, delete lines 19 through 42, begin a new paragraph and insert:

"(d) Not later than October 31, 2023, the unit's legislative body or the governing board of the district or territory shall hold a public meeting to consider whether to establish a merit system for each eligible department.

(e) The following apply to a public meeting held under subsection (d) or (g):

(1) The legislative body or governing board shall list, as an item for consideration on the agenda for the meeting, whether to establish a merit system for each eligible department.

(2) Members of the public must be permitted to provide testimony at the meeting.

(3) The members of the legislative body or governing board shall vote at the conclusion of the meeting on a resolution proposing to establish a merit system for each eligible department.

(f) This subsection applies if a legislative body or governing board adopts a resolution under subsection (e)(3) approving the establishment of a merit system by an affirmative vote of at least a majority of its members. The active full-time, paid members of the department shall vote to approve or reject the resolution adopted by the legislative body or governing board in accordance with the procedure set forth in section 4(a) through 4(c) of this chapter. If a majority of the active members of the department

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vote to approve the resolution, the merit system is established on January 1 following the vote. The following apply to the merit system:

(1) The merit system shall be considered to be established by an ordinance or resolution that adopts all of the mandatory and discretionary provisions of this chapter applicable to the establishing unit, district, or territory.

(2) Not later than March 1 following the vote, a merit commission shall be appointed that establishes or administers policies based on merit for the appointment, promotion, demotion, and dismissal of members of the department as set forth in this chapter.

(g) This subsection applies if a legislative body or governing board holds a public meeting under subsection (d) before November 1, 2023, and does not adopt a resolution under subsection (e)(3) approving the establishment of a merit system by an affirmative vote of at least a majority of its members. Not later than October 31, 2024, the active full-time, paid members of the department may hold a meeting to vote on whether the members recommend the establishment of a merit system. The following apply to a meeting under this subsection:

(1) The safety board shall give at least three (3) weeks' notice to all active members of the department that a meeting will be held to vote on whether the members recommend the establishment of a merit system.

(2) The notice shall be given by posting it in prominent places in all stations of the department. The notice must designate the time, place, and purpose of the meeting.

(3) A copy of the notice shall be distributed to each active member of the department at least one (1) week before the date of the meeting.

(4) Only active members of the department may attend the meeting, and at the meeting one (1) of them shall be selected as chair.

(5) All voting must be by secret written ballot.

(6) The other procedures for holding the meeting may be determined by the safety board and shall be posted in accordance with subdivision (2).

If a majority of the active members of the department vote to recommend the establishment of a merit system, the safety board shall provide written notice of the vote to the unit's legislative body or the governing board of the district or territory, as applicable. A



legislative body or governing board that receives written notice under this subsection shall hold a public meeting not later than April 30, 2025, to consider whether to establish a merit system for each eligible department. The requirements described in subsections (e) and (f) apply to the public meeting and the actions that must be taken following the public meeting.

(h) After January 1, 2024, a merit system established under this section may be amended or dissolved as follows:

(1) The merit system may be amended by the:

- (A) unit's legislative body adopting an ordinance or resolution as provided in section 3 of this chapter; or
- (B) governing board adopting a resolution under section 1.1 of this chapter;

that has the effect of amending or deleting provisions of the merit system that are left to the discretion of the unit, district, or territory under this chapter.

(2) A merit system may be dissolved by following the procedure for establishing or rejecting a merit system under section 4 or 5 of this chapter. The dissolution takes effect on January 1 following the vote of at least a majority of the:

- (A) active full-time paid members of the department to approve the ordinance or resolution dissolving the merit system under section 4 of this chapter; or
- (B) members of the unit's legislative body or governing board to adopt the ordinance or resolution to dissolve the merit system under section 5 of this chapter, whichever is appropriate.

(i) If a majority of the active members of the department vote to reject the merit system under subsection (f), another proposal may not be put to a vote within one (1) year after the day the meeting is held."

Delete page 8.

Page 9, delete lines 1 through 7.

Page 12, line 12, delete "body;" and insert "**board;**".

and when so amended that said bill do pass.

(Reference is to HB 1016 as printed January 19, 2023.)

ROGERS, Chairperson

Committee Vote: Yeas 10, Nays 0.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1016 be amended to read as follows:

Page 4, line 22, after "3" insert "**or 5.5**".

Page 9, line 10, delete "3" and insert "**1(g)**".

(Reference is to EHB 1016 as printed March 31, 2023.)

SANDLIN

