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HOUSE BILL No. 1315

Proposed Changes to introduced printing by AM131501

DIGEST OF PROPOSED AMENDMENT

Townships. Provides that the requirements to dissolve a township do not apply to a township that, on June 1, 2026, has begun to consolidate with: (1) another township; (2) another unit under the government modernization provisions; or (3) a township located in a county in which each township located in the county consolidates to establish not more than one township whose boundaries coincide with the boundaries of the county and the consolidated township would not meet the population requirement contained in the bill. Changes criteria used for determining whether a township is subject to the dissolution requirements. Provides that the provisions shall not be construed: (1) to constitute as an annexation of an applicable township by a municipality under the provisions of this chapter; or (2) as changing the corporate boundaries of a municipality that is the designated unit of the dissolved township.

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

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

- 1 SECTION 1. IC 36-1.5-4-13, AS AMENDED BY P.L.202-2013,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 13. (a) The legislative body of a political
4 subdivision that receives a certified resolution under section 10 or 12
5 of this chapter ~~may~~ **shall** do any of the following:
6 (1) Adopt a resolution declining to participate in a proposed
7 reorganization. **The resolution must detail why the political**
8 **subdivision does not wish to participate in the**
9 **reorganization.**
10 (2) Adopt a substantially identical resolution proposing to
11 participate in a proposed reorganization with the political
12 subdivisions named in a resolution certified to the political

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subdivision.

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

(b) The clerk of the political subdivision adopting a resolution proposing a reorganization under this section shall certify the resolution to the clerk of each political subdivision named in the resolution.

SECTION 2. IC 36-1.5-4.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 4.1. Reorganization of Certain Townships

Sec. 1. This chapter does not apply to a township[:

(1) located in a county having a consolidated city[; or
(2) that, on June 1, 2026, has begun to consolidate with another:

(A) township under IC 36-6-1.5; or

(B) unit under IC 36-1.5-4; or

(3) located in a county in which each township located in the county consolidates in accordance with subdivision (2) to establish not more than one (1) township whose boundaries coincide with the boundaries of the county and the consolidated township would not meet the population requirement described in section 6(1)(A) of this chapter].

Sec. 2. To the extent that other provisions in this article conflict with this chapter, this chapter controls.

Sec. 3. As used in this chapter, "designated unit" means:

(1) a county or municipality that is named by a township in a resolution under section 11 of this chapter; or

(2) a county to which section 12 or 21 of this chapter applies.

Sec. 4. As used in this chapter, "plan" or "plan of reorganization" means a plan of reorganization approved by the legislative body of a designated unit under this chapter.

Sec. 5. As used in this chapter, "reorganization" means the dissolution of a township and the transfer of township property, functions, powers, and services to the designated unit.

Sec. 6. As used in this chapter, "township" means either of the following:

(1) A township that satisfies all of the following criteria:

(A) The township has a population of less than six thousand seven hundred (6,700) as determined by the



most recent federal decennial census.

(B) The township does not operate a fire department.

(C) In calendar year 2024, the total value of benefits provided to recipients of township assistance (as reported in the township's annual statistical report under IC 12-20-28-3) ~~<was at least>~~ [does not exceed] two hundred percent (200%) of the sum of all compensation paid to township employees (as reported in the township's annual report filed under IC 5-11-13-1).

(2) A township that satisfies all of the following criteria:

[(A) At least eighty percent (80%) of the ~~<township's boundaries coincide with a municipality's boundaries.~~
>[total area of the township is located within the corporate boundaries of a municipality.]

[(B) At least fifty-one percent (51%) of the township's population resides within the corporate boundaries of a municipality described in clause (A).

(C) The township does not operate a fire department.

Sec. 7. As used in this chapter, "township office" refers to any of the following:

(1) The office of township trustee elected as provided in IC 36-6-4-2.

(2) The office of township assessor elected as provided in IC 36-6-5-1 (if the office exists).

(3) The office of a member of the township board elected as provided in IC 36-6-6-2.

Sec. 8. As used in this chapter, "township services" means the following:

(1) Township assistance under IC 12-20 and IC 12-30-4.

(2) Provision of insulin to the poor under IC 12-20-16.

(3) Fire protection services under IC 36-8.

(4) Fence viewing under IC 32-26.

(5) Provision and maintenance of cemeteries under IC 23-14.

(6) Provision and maintenance of township parks and community centers under IC 36-10.

(7) Destruction of detrimental plants, noxious weeds, and rank vegetation under IC 15-16-8.

(8) Any other services required by statute to be provided by a township.

Sec. 9. (a) On January 1, 2028, each township is dissolved. All of the following occur:

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(1) The term of office of an individual who holds a township office ends on December 31, 2027. An election for a township office shall not be held in 2028 or thereafter.

(2) The:

(A) powers and duties of the office of township trustee are transferred to the executive of the designated unit;

(B) legislative powers and duties of the office of township board members are transferred to the legislative body of the designated unit;

(C) fiscal powers and duties of the office of township board members are transferred to the fiscal body of the designated unit; and

(D) powers and duties of the township assessor (if the office exists) are transferred to the county assessor.

(3) The boundaries of the dissolved township remain as the boundaries of the service area within which the designated unit provides township services.

(4) The balance in the general fund of the township shall be transferred to the general fund of the designated unit.

(5) The balance in the township assistance fund of a township shall be transferred to a township assistance fund established by the designated unit.

(6) The balance of any other fund of the township shall be transferred to the fund of the designated unit that most closely corresponds to the fund of the township.

(7) Subject to section 26 of this chapter, the property and liabilities of the township become the property and liabilities of the designated unit.

(b) IC 36-1-8-5 does not apply to a balance referred to in subsection (a).

Sec. 10. (a) A township that is described in:

(1) section 6(1) of this chapter and that is adjacent to a municipality; or

(2) section 6(2) of this chapter;

may designate the municipality in a resolution under section 11 of this chapter. A township is not adjacent to a municipality if the township and municipality are connected by a strip of land that is less than one hundred fifty (150) feet wide.

(b) A township that is described in section 6(1) or 6(2) of this chapter may designate a county in a resolution under section 11 of this chapter.

Sec. 11. (a) The legislative body of a township shall adopt a



1 resolution not later than June 1, 2026, that:

2 (1) proposes a reorganization; and

3 (2) designates:

4 (A) one (1) municipality; or

5 (B) one (1) county;

6 that satisfies the criteria under section 10 of this chapter for
7 reorganizing with the township.

8 (b) The township trustee of the township shall certify the
9 resolution to:

10 (1) the county clerk; and

11 (2) if the designated unit is a municipality, the clerk of the
12 municipality.

13 If the designated unit meets the criteria under section 10 of this
14 chapter, the designated unit and the township shall appoint a joint
15 board under section 14 of this chapter.

16 Sec. 12. If a township fails to adopt a resolution under section
17 11 of this chapter not later than June 1, 2026, the county in which
18 the township is primarily located shall be the designated unit of the
19 township without the township adopting a resolution or taking
20 further action. A joint board shall be appointed under section 14
21 of this chapter, and the county shall reorganize with the township
22 as provided in this chapter.

23 Sec. 13. If a designated unit is named by two (2) or more
24 townships in resolutions under section 11 of this chapter, the
25 designated unit may:

26 (1) appoint a single joint board under section 14 of this
27 chapter; and

28 (2) prepare and adopt a single reorganization plan;
29 to govern the reorganization of the townships, instead of
30 appointing separate boards and adopting separate plans for each
31 of the townships.

32 Sec. 14. (a) A joint board shall consist of the following:

33 (1) Two (2) members of the township board of each township
34 participating in the reorganization, selected by the members
35 of the township board.

36 (2) Four (4) members of the legislative body of the designated
37 municipality or of the fiscal body of the designated county,
38 whichever is applicable, selected by the members of the body.

39 (3) The township trustee of the township, the fiscal officer of
40 the designated municipality or county, and other members of
41 the bodies under subdivisions (1) and (2) shall serve as
42 advisory, nonvoting members.



(b) Four (4) voting members constitute a quorum. Official action may only be taken by affirmative vote of at least a majority of members present at the meeting.

(c) The members of a joint board serve without compensation. The members are entitled to reimbursement from the reorganizing township and designated units for the necessary expenses incurred in the performance of their duties.

(d) A joint board is subject to IC 5-14-1.5 and IC 5-14-3.

(e) The joint board shall prepare a reorganization plan not later than December 1, 2026, for transferring the powers, duties, and property of the township consistent with this chapter. The joint board shall send the plan to the legislative body of the designated unit for adoption.

(f) The legislative body of the designated unit may adopt the plan as drafted or modify the plan before adoption.

Sec. 15. Elimination of a township office does not invalidate:

(1) any resolutions, fees, schedules, or other actions adopted or taken by the township trustee or township assessor (if the office exists) before January 1, 2028; or

(2) any appointments made by the township trustee or township assessor (if the office exists) before January 1, 2028.

Sec. 16. In 2027, the fiscal body of the designated unit shall, in the manner provided by IC 6-1.1-17, adopt a budget, tax levies, and tax rates that are sufficient for the designated unit to provide township services within the boundaries of the dissolved township.

Sec. 17. (a) The plan of reorganization governs the actions, duties, and powers of the designated unit and the township that are not specified by law.

(b) The plan of reorganization must be consistent with this chapter and include at least the following:

(1) A description of the township services provided by the designated unit and the service areas in which the services will be offered.

(2) The disposition of the personnel, the agreements, the assets, and, subject to section 26 of this chapter, the liabilities of the township, including the terms and conditions upon which the transfer of property and personnel will be achieved.

(3) Any other matter that the joint board determines to be necessary or appropriate or to include in the plan of reorganization.



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(c) When the plan of reorganization is submitted to the designated unit by the joint board, the designated unit shall post a copy of the plan of reorganization on the website of the designated unit not more than seven (7) days after receiving the plan of reorganization from the joint board. If the plan of reorganization is amended, the designated unit shall post the amended plan on the website of the designated unit not later than seven (7) days after the amended plan is adopted.

Sec. 18. The legislative body of the designated unit shall certify the legislative body's final action on a plan of reorganization or revised plan of reorganization, as modified by the legislative body, in the manner prescribed by the department of local government finance, to each of the following:

(1) The clerk of the circuit court and, if the designated unit is a municipality, the clerk of the municipality.

(2) The county fiscal officer of each county in which the township is located.

(3) The county recorder of each county in which the township is located.

(4) The county voter registration office of each county in which the township is located.

Sec. 19. The legislative body of the designated unit shall file a certified copy of the plan with each of the following at the same time certifications are made under section 18 of this chapter:

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

(2) The department of local government finance.

(3) The clerk of the circuit court.

Sec. 20. Each county recorder receiving a certification under sections 18 and 19 of this chapter shall record the certification and the plan of reorganization in the records of the county recorder without charge. The county recorder shall notify the county election board of each county in which the township is located.

Sec. 21. (a) The township is reorganized under the conditions set forth in the plan of reorganization filed with the county recorder under this chapter.

(b) This subsection applies if the designated unit is a municipality. If the municipal legislative body fails to adopt a reorganization plan not later than December 31, 2026, the township shall reorganize with the county in which the township is primarily located. The county fiscal body shall:

(1) prepare a reorganization plan for adoption by the county



fiscal body that takes effect January 1, 2028; and

(2) take all other steps necessary under this article.

The county fiscal body has all of the powers and authority under this chapter to prepare and implement a township reorganization plan without the approval of the township.

Sec. 22. The department of local government finance is expressly directed to complete the duties assigned to it under IC 6-1.1-17-16 with respect to the submitted property tax levies, property tax rates, and budget as follows:

(1) For each budget year, not later than December 31 of the year preceding that budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

(2) For each budget year, not later than January 15 of the budget year if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

Sec. 23. (a) This section applies to a reorganization under this chapter that involves:

(1) a municipality as the designated unit; and

(2) at least one (1) township;

all of which are participating units in the same fire protection territory on the date the reorganization plan is finally adopted under this chapter.

(b) The fiscal body of the designated unit may:

(1) establish an equipment replacement fund under IC 36-8-19-8.5 and impose a property tax for the fund as provided in IC 36-8-19-8.5; and

(2) take any other action under IC 36-8-19-8.5 that may be taken under that section by a participating unit in a fire protection territory.

(c) If a designated unit establishes an equipment replacement fund under IC 36-8-19-8.5 as authorized by this section, the department of local government finance may adjust the maximum permissible ad valorem property tax levy that would otherwise apply to the designated unit in the same manner in which the department may adjust the maximum permissible ad valorem property tax levy of a civil taxing unit under IC 6-1.1-18.5-10.5 to meet the civil taxing unit's obligations to a fire protection territory established under IC 36-8-19.

Sec. 24. (a) A designated unit has the powers granted by



statute to a township, including a power described in subsection (b).

(b) Except as provided in the plan of reorganization, a designated unit may do any of the following:

(1) Establish any fund that the township (either acting on its own or jointly with another political subdivision) was authorized to establish before January 1, 2028.

(2) Impose any tax levy or adopt any tax that the township was authorized to impose or adopt before January 1, 2028.

Sec. 25. A plan of reorganization may establish within the township, territories, or districts:

(1) in which specified services provided by the designated unit will be provided at different levels, quantities, or amounts; and

(2) in which the fees, charges, or taxes imposed by the designated unit will vary depending on the level, quantity, or amount of the services provided.

Sec. 26. The following apply:

(1) Indebtedness that was incurred by the designated unit or township before January 1, 2028:

(A) may not be imposed on taxpayers that were not responsible for payment of the indebtedness before January 1, 2028; and

(B) must be paid by the taxpayers that were responsible for payment of the indebtedness before January 1, 2028.

(2) Pension obligations existing as of January 1, 2028:

(A) may not be imposed on taxpayers that were not responsible for payment of the pension obligations before January 1, 2028; and

(B) must be paid by the taxpayers that were responsible for payment of the pension obligations before January 1, 2028.

Sec. 27. The following apply to a reorganization under this chapter:

(1) Except as provided in subdivision (2):

(A) the designated unit is responsible after December 31, 2027, for providing township services in all areas of the township; and

(B) the designated unit retains the powers of a township after December 31, 2027, in order to provide township services as required by clause (A).

(2) Powers and duties of the designated unit may be



transferred as authorized in an interlocal cooperation agreement approved under IC 36-1-7 or as authorized in a cooperative agreement approved under IC 36-1.5-5.

(3) Section 26 of this chapter applies to the debt service levy of the designated unit and to the department of local government finance's determination of the new maximum permissible ad valorem property tax levy for the designated unit.

(4) The designated unit may not borrow money under IC 36-6-6-14(b) or IC 36-6-6-14(c).

(5) The new maximum permissible ad valorem property tax levy for the designated unit's firefighting and emergency services fund under IC 36-8-13-4(a)(1) or the combined levies for the firefighting fund and emergency services fund described in IC 36-8-13-4(a)(2) is equal to:

(A) the result of:

(i) the maximum permissible ad valorem property tax levy for the township's firefighting and emergency services fund under IC 36-8-13-4(a)(1) or the combined ad valorem property tax levies for the township firefighting fund and township emergency services fund described in IC 36-8-13-4(a)(2), as applicable, in 2027; multiplied by

(ii) the maximum levy growth quotient applicable for property taxes first due and payable in 2028; plus

(B) any amounts borrowed by the township under IC 36-6-6-14(b) or IC 36-6-6-14(c) in 2027.

Sec. 28. (a) Except as provided in subsections (c) through (d), a political subdivision may not take an action described in subsection (b) within a township after December 31, 2026.

(b) A political subdivision may not take any of the following actions partially or wholly within a township after December 31, 2026, unless the designated unit agrees by adopting a resolution:

(1) Initiate an annexation of territory.

(2) Establish a fire protection territory or fire protection district.

(3) Extend water, sewer, or any other infrastructure to the political subdivision.

(4) Expand zoning jurisdiction under IC 36-7-4-205.

(c) This chapter does not prohibit a designated unit from



1 taking an action under subsection (b) for the purpose of
2 implementing the plan of reorganization.

3 (d) A political subdivision may take an action described in
4 subsection (b) after December 31, 2027.

5 Sec. 29. (a) Except as otherwise provided in this section, until
6 the final plan of reorganization is approved by the legislative body
7 of the designated unit, the designated unit or township may not
8 promote a position on the reorganization by doing any of the
9 following:

10 (1) Using facilities or equipment, including mail and
11 messaging systems, owned by the designated unit or
12 township to promote a position on the reorganization, unless
13 equal access to the facilities or equipment is given to persons
14 with a position opposite to that of the designated unit or
15 township.

16 (2) Making an expenditure of money from a fund controlled
17 by the designated unit or township to promote a position on
18 the reorganization.

19 (3) Using an employee to promote a position on the
20 reorganization during the employee's normal working hours
21 or paid overtime, or otherwise compelling an employee to
22 promote a position on the public question at any time.
23 However, if a person described in subsection (c) is
24 advocating for or against a position on the reorganization or
25 discussing the reorganization as authorized under subsection
26 (c), an employee of the designated unit or township may
27 assist the person in presenting information on the
28 reorganization if requested to do so by the person described
29 in subsection (c).

30 However, this section does not prohibit an official or employee of
31 the designated unit or township from carrying out duties with
32 respect to a reorganization that are part of the normal and regular
33 conduct of the official's or employee's office or agency, including
34 the furnishing of factual information regarding the reorganization
35 in response to inquiries from any person.

36 (b) This subsection does not apply to:

37 (1) a personal expenditure to promote a position on a
38 reorganization by an employee of the designated unit or
39 township whose employment is governed by a collective
40 bargaining contract or an employment contract; or

41 (2) an expenditure to promote a position on a reorganization
42 by a person or an organization that has a contract or an



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arrangement (whether formal or informal) with the designated unit or township solely for the use of the political subdivision's facilities.

A person or an organization that has a contract or arrangement (whether formal or informal) with the designated unit or township to provide goods or services to the designated unit or township may not spend any money to promote a position on the reorganization. A person or an organization that violates this subsection commits a Class A infraction.

(c) Notwithstanding any other law, an elected or appointed official of a designated unit or township may:

(1) personally advocate for or against a position on a reorganization; or

(2) discuss the reorganization with any individual, group, or organization or personally advocate for or against a position on a reorganization before any individual, group, or organization;

so long as it is not done by using public funds. Advocacy or discussion allowed under this subsection is not considered a use of public funds.

[Sec. 30. Nothing in this chapter shall be construed:

(1) to constitute as an annexation of an applicable township by a municipality under the provisions of this chapter; or

(2) as changing the corporate boundaries of a municipality that is the designated unit of the dissolved township.

] SECTION 3. An emergency is declared for this act.[

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