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HOUSE BILL No. 1315

Proposed Changes to introduced printing by AM131502

DIGEST OF PROPOSED AMENDMENT

Townships. Excludes a township that participates in a park and recreation department jointly established with a municipality prior to January 1, 2026.

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
13 subdivision.
14 (3) Adopt a resolution proposing to participate in a proposed
15 reorganization with political subdivisions that differ in part or in
16 whole from the political subdivisions named in a resolution
17 certified to the political subdivision.
18 (b) The clerk of the political subdivision adopting a resolution
19 proposing a reorganization under this section shall certify the
20 resolution to the clerk of each political subdivision named in the

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1 resolution.

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

5 **Chapter 4.1. Reorganization of Certain Townships**

6 **Sec. 1. This chapter does not apply to a township~~I:~~**

7 **(1) located in a county having a consolidated city~~I:~~ or**
 8 **(2) that participates in a park and recreation department**
 9 **jointly established with a municipality prior to January 1,**
 10 **2026, pursuant to an agreement authorized under IC 36-1-7].**

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

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

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

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

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

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

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

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

26 **(A) The township has a population of less than six**
 27 **thousand seven hundred (6,700) as determined by the**
 28 **most recent federal decennial census.**

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

30 **(C) In calendar year 2024, the total value of benefits**
 31 **provided to recipients of township assistance (as**
 32 **reported in the township's annual statistical report**
 33 **under IC 12-20-28-3) was at least two hundred percent**
 34 **(200%) of the sum of all compensation paid to township**
 35 **employees (as reported in the township's annual report**
 36 **filed under IC 5-11-13-1).**

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

38 **(A) At least eighty percent (80%) of the township's**
 39 **boundaries coincide with a municipality's boundaries.**

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

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(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

See. 9. (a) On January 1, 2018, each township is dissolved. All of the following occur:

(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

(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

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

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

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

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

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

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

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

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

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

24 Sec. 11. (a) The legislative body of a township shall adopt a
 25 resolution not later than June 1, 2026, that:

26 (1) proposes a reorganization; and

27 (2) designates:

28 (A) one (1) municipality; or

29 (B) one (1) county;

30 that satisfies the criteria under section 10 of this chapter for
 31 reorganizing with the township.

32 (b) The township trustee of the township shall certify the
 33 resolution to:

34 (1) the county clerk; and

35 (2) if the designated unit is a municipality, the clerk of the
 36 municipality.

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

40 Sec. 12. If a township fails to adopt a resolution under section
 41 11 of this chapter not later than June 1, 2026, the county in which
 42 the township is primarily located shall be the designated unit of the



1 township without the township adopting a resolution or taking
 2 further action. A joint board shall be appointed under section 14
 3 of this chapter, and the county shall reorganize with the township
 4 as provided in this chapter.

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

8 **(1) appoint a single joint board under section 14 of this**
 9 **chapter; and**

10 **(2) prepare and adopt a single reorganization plan;**

11 **to govern the reorganization of the townships, instead of**
 12 **appointing separate boards and adopting separate plans for each**
 13 **of the townships.**

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

15 **(1) Two (2) members of the township board of each township**
 16 **participating in the reorganization, selected by the members**
 17 **of the township board.**

18 **(2) Four (4) members of the legislative body of the designated**
 19 **municipality or of the fiscal body of the designated county,**
 20 **whichever is applicable, selected by the members of the body.**

21 **(3) The township trustee of the township, the fiscal officer of**
 22 **the designated municipality or county, and other members of**
 23 **the bodies under subdivisions (1) and (2) shall serve as**
 24 **advisory, nonvoting members.**

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

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

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

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

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

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

41 **(1) any resolutions, fees, schedules, or other actions adopted**
 42 **or taken by the township trustee or township assessor (if the**



1 office exists) before January 1, 2028; or
 2 (2) any appointments made by the township trustee or
 3 township assessor (if the office exists) before January 1,
 4 2028.

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

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

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

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

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

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

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

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

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

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

42 **(3) The county recorder of each county in which the**



1 township is located.

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

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

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

9 (2) The department of local government finance.

10 (3) The clerk of the circuit court.

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

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

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

24 (1) prepare a reorganization plan for adoption by the county
25 fiscal body that takes effect January 1, 2028; and

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

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

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

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

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

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

3 **(1) a municipality as the designated unit; and**
 4 **(2) at least one (1) township;**
 5 **all of which are participating units in the same fire protection**
 6 **territory on the date the reorganization plan is finally adopted**
 7 **under this chapter.**

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

9 **(1) establish an equipment replacement fund under**
 10 **IC 36-8-19-8.5 and impose a property tax for the fund as**
 11 **provided in IC 36-8-19-8.5; and**
 12 **(2) take any other action under IC 36-8-19-8.5 that may be**
 13 **taken under that section by a participating unit in a fire**
 14 **protection territory.**

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

24 **Sec. 24. (a) A designated unit has the powers granted by**
 25 **statute to a township, including a power described in subsection**
 26 **(b).**

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

29 **(1) Establish any fund that the township (either acting on its**
 30 **own or jointly with another political subdivision) was**
 31 **authorized to establish before January 1, 2028.**
 32 **(2) Impose any tax levy or adopt any tax that the township**
 33 **was authorized to impose or adopt before January 1, 2028.**

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

36 **(1) in which specified services provided by the designated**
 37 **unit will be provided at different levels, quantities, or**
 38 **amounts; and**
 39 **(2) in which the fees, charges, or taxes imposed by the**
 40 **designated unit will vary depending on the level, quantity, or**
 41 **amount of the services provided.**

42 **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

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

- (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.**

29 **Sec. 29. (a) Except as otherwise provided in this section, until**
30 **the final plan of reorganization is approved by the legislative body**
31 **of the designated unit, the designated unit or township may not**
32 **promote a position on the reorganization by doing any of the**
33 **following:**

- (1) Using facilities or equipment, including mail and messaging systems, owned by the designated unit or township to promote a position on the reorganization, unless equal access to the facilities or equipment is given to persons with a position opposite to that of the designated unit or township.
- (2) Making an expenditure of money from a fund controlled by the designated unit or township to promote a position on the reorganization.



12 However, this section does not prohibit an official or employee of
13 the designated unit or township from carrying out duties with
14 respect to a reorganization that are part of the normal and regular
15 conduct of the official's or employee's office or agency, including
16 the furnishing of factual information regarding the reorganization
17 in response to inquiries from any person.

18 (b) This subsection does not apply to:

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

42 so long as it is not done by using public funds. Advocacy or

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1 discussion allowed under this subsection is not considered a use of
2 public funds.

3 SECTION 3. An emergency is declared for this act.1

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