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HOUSE BILL No. 1315

Proposed Changes to January 13, 2026 printing by AM131503

DIGEST OF PROPOSED AMENDMENT

Fire protection territories and districts. Provides that a township that participates in a fire protection territory (territory) or fire protection district (district) does not operate a fire department for purposes of the bill. Provides that after a reorganization: (1) the area within the boundaries of the dissolved township remains in the district; and (2) the designated unit succeeds the dissolved township in its role in the territory or district.

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.

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(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. [

For purposes of this clause, a township that is:

(i) a provider unit or nonprovider unit in a fire protection territory; or

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(ii) part of a fire protection district;
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) 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 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.
For purposes of this clause, a township that is:

(i) a provider unit or nonprovider unit in a fire protection territory; or

(ii) part of a fire protection district;
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

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a township.

Sec. 9. (a) On January 1, 2028, 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:

(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) If a township participates in a fire protection territory or fire protection district, the fire protection territory or fire protection district is unaffected by the reorganization and the area within the boundaries of the dissolved township remain a part of the fire protection territory or fire protection district after reorganization. The designated unit succeeds the township in the township's role as:

(A) provider unit or nonprovider unit in the fire protection territory; or

(B) participant in the fire protection district;

for the area within the boundaries of the dissolved township.

(~~4~~) [5] The balance in the general fund of the township shall be transferred to the general fund of the designated unit.

(~~5~~) [6] The balance in the township assistance fund of a township shall be transferred to a township assistance fund established by the designated unit.

(~~6~~) [7] 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~~) [8] Subject to section 26 of this chapter, the property and liabilities of the township become the property and

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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 resolution not later than June 1, 2026, that:

(1) proposes a reorganization; and

(2) designates:

(A) one (1) municipality; or

(B) one (1) county;

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

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

(1) the county clerk; and

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

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

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

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

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

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

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

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

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

(3) The township trustee of the township, the fiscal officer of the designated municipality or county, and other members of the bodies under subdivisions (1) and (2) shall serve as 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,

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1 duties, and powers of the designated unit and the township that are
2 not specified by law.

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

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

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

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

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

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

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

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

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

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

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

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

42 (2) The department of local government finance.

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(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



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1 IC 36-8-19-8.5 and impose a property tax for the fund as
2 provided in IC 36-8-19-8.5; and

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

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

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

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

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

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

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

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

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

33 Sec. 26. The following apply:

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

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

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

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

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

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1 responsible for payment of the pension obligations
 2 before January 1, 2028; and
 3 (B) must be paid by the taxpayers that were responsible
 4 for payment of the pension obligations before January
 5 1, 2028.

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

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

9 (A) the designated unit is responsible after December 31,
 10 2027, for providing township services in all areas of the
 11 township; and

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

15 (2) Powers and duties of the designated unit may be
 16 transferred as authorized in an interlocal cooperation
 17 agreement approved under IC 36-1-7 or as authorized in a
 18 cooperative agreement approved under IC 36-1.5-5.

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

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

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

31 (A) the result of:

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

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

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

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

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

(3) Using an employee to promote a position on the reorganization during the employee's normal working hours or paid overtime, or otherwise compelling an employee to promote a position on the public question at any time. However, if a person described in subsection (c) is advocating for or against a position on the reorganization or discussing the reorganization as authorized under subsection (c), an employee of the designated unit or township may assist the person in presenting information on the

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reorganization if requested to do so by the person described in subsection (c).

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

(b) This subsection does not apply to:

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

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