LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 7084 **NOTE PREPARED:** Jan 22, 2026
BILL NUMBER: SB 270 **BILL AMENDED:** Jan 15, 2026

SUBJECT: Township Mergers.

FIRST AUTHOR: Sen. Niemeyer **BILL STATUS:** 2nd Reading - 1st House
FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL** **IMPACT:** State & Local
X **DEDICATED**
FEDERAL

Summary of Legislation: *Compilation of Data*– The bill requires the Department of Local Government Finance (DLGF) not later than December 31, 2026, to compile data on each township (excluding townships in Marion County) and assign points based upon the township government's performance. The bill requires a township government that is assigned at least four points (designated township) to merge.

Township Mergers– The bill requires a merger to satisfy the following requirements: (1) A designated township must merge with at least one township that has less than four points (recipient township). (2) The merger must satisfy contiguity requirements under the township merger law. The bill provides that if all townships in a county have at least four points, the county executive must designate a township to act as the recipient township. The bill requires the county executive to designate which townships will merge: (1) taking into consideration the wishes of the designated townships and recipient townships; and (2) the contiguity requirements under the township merger law. The bill provides that all mergers in a county are effective not later than January 1, 2028.

Interim & Elections– The bill establishes provisions for an interim township government for the new merged township government until a new township trustee and township legislative body are elected during the 2030 general election.

Township Assessors and Miscellaneous Provisions– The bill provides that a township merger does not affect the office of township assessor of a township participating in the merger. The bill repeals a law that allows township governments to dissolve a merger.

Effective Date: Upon passage.

Explanation of State Expenditures: *Compilation of Data*– This provision would place a temporary workload increase on the DLGF. However, the DLGF should be able to compile the data, score the townships from the criteria provided within the bill, review any petitions of reconsideration, and prepare the required ranking report within existing staff and resource levels. It is likely that other state agencies providing data to the DLGF would likely be able to do so if already compiled, within existing resources.

Township Mergers– The DLGF would incur minimal additional cost to adjust the ad valorem property tax levy for local assistance after a township merger for the combined fire and EMS services. Additionally, the DLGF would adjust maximum permissible property tax levies and property tax rates of each merging township to the new merged unit. The DLGF would likely need to determine fund balances of each township to be merged for their distribution within the new merged unit. Additionally, the DLGF would be able to develop a submission form to expedite the processing of township mergers. The DLGF would likely be able to develop the merger form within existing resources. The Secretary of State would need to file merger final actions received from merged townships.

Elections– The Election Division would need to revise certain election publications to account for the removal of township office references. Revisions of publications are a routine administrative function of the Division and should be accomplished within their existing staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures: *Township Mergers*– Townships required to merge based on their point total determination would merge with at least one other township within their county under the provisions within current law to merge townships. The county executive, with township input, would determine which townships would merge with each other.

The new township's trustee and legislative body would serve as the executive and legislative body of the new township government. The new township government would pay all costs associated with the merger.

If the recipient township provides township services at similar service capacity but more efficiently, there would be cost savings for the taxpayers within the new township, as the service costs would be distributed among a larger number of township taxpayers. The cost of implementing the transfer of duties and establishing plans for local assistance and fire and emergency services will have one-time costs for the recipient township to develop the plans and hold public meetings.

County legislative bodies would use the data from the DLGF to conduct township mergers within their borders. It is likely that most affected county legislative bodies would be able to adopt the appropriate merger ordinances within their regularly scheduled business meetings. County legislative bodies would have to produce a report of their township mergers.

New townships would likely be able to certify final merger actions to the required governmental agencies within the bill.

Interim & Elections– Township mergers would change and reduce the number of township offices placed on primary and general election ballots by counties with merged townships under the bill. There may be a slight savings to the counties containing merged townships when printing ballots for optical scan voting systems, as they would be able to print fewer ballot variations with fewer townships. It is likely that DRE systems would be able to be reprogrammed with minimal changes.

Additional Information– For purposes of this section, "new township" refers to the new local unit of government that emerges from the merger of two or more townships under the requirements of the bill.

Number of Townships: There are 999 Indiana townships outside of Marion County.

Merged Township Board: Township boards in new townships would consist of the township board of recipient township and one board member of each eliminated township. Eliminated board salaries could be used to provide compensation for the additional responsibilities undertaken by the new townships' officials or for other administrative purposes, depending on the decisions of the new township fiscal body which sets the budget and compensation for its employees. If the salaries of the eliminated elected positions and support staff are not used in part or in whole, a cost savings to the new township would occur. Township boards that are not in Marion County are typically composed by three members. From 2024 budgeted expenditures, the median township board salary for all three members by county was $23,149 ranging from a minimum of $1,621 to a maximum of $885,946. These data are based on approximately 830 townships reporting. Merged township elections for township boards would begin with the 2030 general election.

Trustees: In addition to administering local assistance and providing fire protection and emergency services, the trustee is responsible for partitions, living fences, and detrimental plant removal. Based on a sample from 2024 actual budgeted salary expenditures, trustee salaries yielded a county average of $167,801 and township average of $15,531. The trustees of the recipient township government would serve as the new township executive. There would be a savings from eliminated trustee salaries. Trustees in the new township would be elected in the general election in 2030.

Township Assessors: Township assessors in a merged township would not be affected. The voters of each township having a township assessor before the merger would continue to elect their assessor within the geographical boundaries of the former township where the voters lived prior to the merger. There are 13 townships in 9 counties that have township assessors, and the expenses of the township assessor are paid from their county's budget. Total compensation for the 13 individual township assessors still in existence totaled approximately $869,400 during 2023.

Township Employees: Any decrease in the overall number of township employees would reduce the cost of providing township services. However, no data are available to estimate the change in the number of employees needed.

Fire Protection and Emergency Services: Given the township merger rankings specify points for those townships that do not have fire or EMS service, it is likely many of the merged townships will not have had prior fire/emergency services and, they would need those services provided either by the new township's existing fire services within the municipalities within their new boundaries or fire protection territory they would belong to.

Fire Protection District/Territory: A fire protection territory is a geographic area that may include any combination of municipalities and townships. One unit is the provider unit and administers the fire protection territory, although a tax levy applies throughout the area. There is at least 1 fire territory that has a township as a provider unit. In 2024, statewide fire district/territory expenditures totaled approximately $42 M.

Explanation of Local Revenues: Any property taxes, fees, or other miscellaneous revenues received by new townships would depend on the DLGF's calculations and budgets set by the new townships' executive bodies.

State Agencies Affected: Department of Local Government Finance; Election Division; Secretary of State; any agency providing data to the DLGF to compile the township rankings.

Local Agencies Affected: Counties, Townships, county election boards.

Information Sources: DLGF; Township employee and various other expenditures: https://gateway.ifionline.org/.

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