

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

LS 7084
BILL NUMBER: SB 270

NOTE PREPARED: Feb 23, 2026
BILL AMENDED: Feb 23, 2026

SUBJECT: Township Mergers.

FIRST AUTHOR: Sen. Niemeyer
FIRST SPONSOR: Rep. Slager

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *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.

Township Mergers– The bill requires a township government that is assigned at least four points (designated township), with certain exceptions, to: (1) merge; or (2) for a township in which (A) at least 80% of the township's boundaries coincide with a municipality's boundaries; and (B) at least 51% of the township's population resides within the corporate boundaries of a municipality, reorganize with the municipality. 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 two townships to act as the recipient townships. It requires the county executive to designate which townships will merge taking into consideration: (1) 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, 2029.

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 requires a designated township that is required to reorganize to adopt a resolution not later than October 1, 2027, that designates the municipality (recipient municipality) that will reorganize with the designated township. It requires the appointment of a joint board consisting of representatives of the designated township and the recipient municipality to prepare a plan of reorganization. The bill requires the county fiscal body to approve the budget, tax rate, and tax levy imposed by the recipient municipality within the boundaries of the rural township services district. The bill provides that a recipient municipality has all of the powers of the government modernization act in reorganizing the

township. The bill amends the government modernization act to require a political subdivision to respond to a resolution that names the political subdivision as a participant in a proposed reorganization.

The bill provides that a township merger does not affect the office of township assessor of a township participating in the merger. The bill amends the government modernization act to require a political subdivision to respond to a resolution that names the political subdivision as a participant in a proposed reorganization.

Reporting– The bill requires townships to annually provide certain information relating to fire protection to the DLGF in a manner prescribed by the DLGF using the DLGF's computer gateway. The bill requires the DLGF to share the information with the department of homeland security.

Transfer of Township Assessor Duties– The bill allows the county council in a specified county to adopt a resolution to transfer the duties of a township assessor to the county assessor if: (1) the office of township assessor has been vacant for at least 90 days; and (2) a caucus was held but failed to fill the vacancy; (3) the township board adopts a resolution approving the transfer of duties of the township assessor to the county assessor; and (4) the township trustee has approved, in writing, the transfer of duties of the township assessor to the county assessor. The bill establishes requirements for the transfer of duties.

Prohibition of Addition to Fire Protection District– The bill prohibits the legislative body of a county from unilaterally requiring a unit participating in a reorganization that commenced after November 1, 2025, and before November 30, 2025, from being added to an existing fire protection district: (1) during negotiations regarding the reorganization among the participating units; (2) after the date on which a plan of reorganization is finally adopted by all participating units; or (3) as part of a reorganization in a finally approved plan of reorganization.

It repeals a law that allows township governments to dissolve a merger.

Effective Date: (Amended) July 1, 2025 (Retroactive), Upon passage, July 1, 2026.

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 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 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 take the provided estimated budget and proposed tax rate and levy from the new township government in order to determine the fund balances of each township to be merged for their distribution within the new merged unit. The Secretary of State would need to file merger final actions received from merged townships.

(Revised) *Elections*– The Election Division would need to revise certain election publications to account for the removal of township office references. Additionally, the Division would, in consultation with the DLGF,

provide information available to the Division necessary for the department to carry out the requirements of this provision. These additional duties would likely be accomplished within the Division's existing staffing and resource levels.

Reporting- The DLGF and the Indiana Department of Homeland Security should be able to collect the necessary data, compile the information, and publish the data within their current level of resources.

Explanation of State Revenues: *Court Fee Revenue:* This bill's provisions create an infraction for persons or organizations that have a contract with a political subdivision and provide goods or services to the subdivision to promote a position on the township reorganization. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class A infraction is \$10,000, which is deposited in the state General Fund. Fee revenue per case ranges from \$85.50 and \$103, depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

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. Townships involved in mergers would have to submit to the DLGF not later than February 28, 2028, the adopting resolutions, the estimated budget, and the proposed tax levy of the new township government for the 2029 budget year. The DLGF would then take that information submitted by the participating townships to certify the new township's budget, tax rate, and levy.

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.

Township/Municipality Mergers- Townships that satisfy the criteria to merge with a municipality would

eliminate all personnel in qualifying townships holding the roles of township assessor, township clerk, township trustee, and township boards.

Local Assistance: This bill’s provisions would allow the joint board to decide what services the reorganized political subdivision will provide and the areas where services will be offered. Currently, the township trustee proposes standards that are adopted by the township board. [Local assistance provides necessary and prompt relief, paying for utilities, housing, food, assistance, health care, emergency shelter, and funeral, burial, and cremation expenses. It also connects residents with assistance that is provided without expenditures of township funds or by other agencies.]

The bill transfers the balance of the township’s local assistance fund to the recipient municipality and authorizes the unit to levy all taxes previously levied by the township. [Based on the reported 2024 township assistance, disbursements totaled \$40.9 M across 406 townships in all 92 counties.]

Township Services District Levy: The bill provides that the tax levied will be sufficient for the merged township and municipality to provide township services including amounts necessary to continue payment of debt service or obligation incurred by the township before January 1, 2029. If part of the reorganized township is located outside the boundaries of the municipality, then the municipality will establish an urban district for the area of the township located in the municipality and a rural district for area of the township located outside the municipality. The tax may be levied at a uniformed rate or different rates for the township service districts included within the designated township so long as the tax rate applies uniformly to all of a township service district’s taxable property within the designated township.

Transfer of Township Assessor Duties– This provision could reduce township expenditures for no longer having an assessor in future years, assuming the township would have filled the position in a future year. The applicable county fiscal body would be able to adopt a resolution to transfer duties as a routine matter of business.

(Revised) Prohibition of Addition to Fire Protection District– This provision would affect a reorganization under referendum taking place after November 1, 2025, and before November 30, 2025.

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 bill.

Number of Townships: The State Board of Accounts reports that there are currently 1,000 townships in Indiana.

Merged Township Board: Any eliminated township board salaries from the merged townships could be used to provide compensation for the additional responsibilities undertaken by the new townships’ officers 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 one 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.

Property Taxes: The bill authorizes the recipient municipality to impose any tax levy or adopt any tax that the township was authorized to impose or adopt before January 1, 2029. The levies will affect property taxes payable beginning in 2030. Since the property tax levy authority is being transferred from townships to the new designated unit, the levies should remain the same and there should be no fiscal impact for this provision.

Fund Balances: The balances in any township fund will be transferred to the same type of fund in the recipient municipality. If the recipient municipality unit does not have the same fund as the township, then the balance will be moved to a fund that most closely corresponds to the fund of the township.

Indebtedness: Township indebtedness will be paid by the taxpayers that were responsible for payment before the abolishment of the townships under the bill.

Court Fee Revenue: This bill's provisions create an infraction for persons or organizations that have a contract with a political subdivision and provide goods or services to the subdivision to promote a position

on the township reorganization. If additional court actions result in a guilty verdict, certain local units will collect more revenue. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

State Agencies Affected: Department of Local Government Finance; Election Division; Secretary of State; Indiana Department of Homeland Security; 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/>, Indiana Supreme Court, Indiana Trial Court Fee Manual, Number of Townships: Jennifer E. Gauger Chief of Staff at State Board of Accounts.

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