Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 270

AN ACT to amend the Indiana Code concerning local government.

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

SECTION 1. IC 36-1.5-4-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]: **Sec. 4.5. (a) This section applies to a reorganization that has begun under this chapter after November 1, 2025, and before November 30, 2025.**

(b) Notwithstanding any other provision of this chapter, the legislative body of a county may not unilaterally require a unit participating in a reorganization under this chapter to be 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.

(c) This section expires January 1, 2027.

SECTION 2. IC 36-1.5-4-13, AS AMENDED BY P.L.202-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The legislative body of a political subdivision that receives a certified resolution under section 10 or 12 of this chapter ~~may~~ **shall** do any of the following:

(1) Adopt a resolution declining to participate in a proposed

reorganization. **The resolution must detail why the political subdivision does not wish to participate in the reorganization.**

(2) Adopt a substantially identical resolution proposing to participate in a proposed reorganization with the political subdivisions named in a resolution certified to the political 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 3. 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 Designated Townships

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

(1) located in a county having a consolidated city; or

(2) that, not later than June 30, 2027, has begun to consolidate with another:

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

(B) unit under IC 36-1.5-4.

(b) This chapter applies only to a designated township that satisfies all of the following criteria:

(1) At least eighty percent (80%) of the township's boundaries coincide with a municipality's boundaries.

(2) At least fifty-one percent (51%) of the township's population, as determined by the most recent federal decennial census, resides within the corporate boundaries of a municipality described in subdivision (1).

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, "department" means the department of local government finance.

Sec. 4. As used in this chapter, "designated township" has the meaning set forth in IC 36-6-1.7-3.

Sec. 5. As used in this chapter, "plan" or "plan of reorganization" means a plan of reorganization approved by the legislative body of a recipient municipality under this chapter.

Sec. 6. As used in this chapter, "recipient municipality" means

a municipality that is named by a designated township in a resolution under section 13 of this chapter.

Sec. 7. As used in this chapter, "reorganization" means the dissolution of a designated township and the transfer of township property, functions, powers, and services to a municipality that is the recipient municipality.

Sec. 8. 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. 9. 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. 10. As used in this chapter, "township services district" means a service district that is located within the boundaries of the reorganized designated township in which the recipient municipality imposes a township services district levy.

Sec. 11. As used in this chapter, "township services district levy" means the budget, tax rate, and tax levy imposed by the recipient municipality within the boundaries of a township services district.

Sec. 12. (a) On January 1, 2029, each designated township that meets the criteria described in section 1(b) of this chapter is dissolved. All of the following occur:

(1) The term of office of an individual who holds a township office ends on December 31, 2028. An election for a township office shall not be held in 2029 or thereafter.

(2) The:

(A) powers and duties of the office of township trustee are

transferred to the executive of the recipient municipality;

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

(C) fiscal powers and duties of the office of township board members are transferred to the fiscal body of the recipient municipality; 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 recipient municipality provides township services.

(4) If a designated 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 recipient municipality succeeds the designated township in the designated township's role as:

(A) a participating unit that is not a provider unit in the fire protection territory; or

(B) a participant in the fire protection district;

for the area within the boundaries of the dissolved designated township.

(5) The balance in the general fund of the designated township shall be transferred to the general fund of the recipient municipality.

(6) The balance in the township assistance fund of a designated township shall be transferred to a township assistance fund established by the recipient municipality.

(7) The balance of a fund for which the township imposes property taxes that are not subject to the maximum ad valorem levy limits under IC 6-1.1-18.5 to pay for debt service shall be transferred to the fund of the recipient municipality for which the recipient municipality imposes property taxes that are not subject to the maximum ad valorem levy limits under IC 6-1.1-18.5 to pay for debt service. If the recipient municipality does not have such a fund as of January 1, 2029, the designated unit shall establish the fund. If a township has more than one fund for which the township imposes property taxes that are not subject to the maximum ad valorem levy

limits under IC 6-1.1-18.5 to pay for debt service, then the designated unit shall establish one fund for each fund for which the township imposes property taxes that are not subject to the maximum ad valorem levy limitations under IC 6-1.1-18.5 to pay for debt service.

(8) Subject to section 29 of this chapter, the property and liabilities of the designated township become the property and liabilities of the recipient municipality.

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

Sec. 13. (a) The legislative body of a designated township:

(1) at least eighty percent (80%) of the township's boundaries coincide with a municipality's boundaries; and

(2) at least fifty-one percent (51%) of the township's population resides within the corporate boundaries of a municipality described in subdivision (1);

shall adopt a resolution not later than October 1, 2027, that proposes a reorganization with the municipality described in this subsection.

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

(1) the county clerk; and

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

(c) The recipient municipality and the designated township shall appoint a joint board under section 15 of this chapter.

Sec. 14. If a recipient municipality is named by two (2) or more designated townships in resolutions under section 13 of this chapter, the recipient municipality may:

(1) appoint a single joint board under section 15 of this chapter; and

(2) prepare and adopt a single plan of reorganization;

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

Sec. 15. (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, selected by the members of the body.

(3) The township trustee of each township participating in the

reorganization.

(4) The deputy township trustee or a full-time township employee of each township participating in the reorganization.

The fiscal officer of the designated municipality, and other members of the bodies under subdivisions (1) and (2), shall serve as advisory, nonvoting members.

(b) A majority of the voting members constitutes 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 recipient municipality 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 March 1, 2028, for transferring the powers, duties, and property of the designated township consistent with this chapter. The joint board shall send the plan to the legislative body of the recipient municipality for adoption.

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

Sec. 16. Elimination of a township office of a designated township 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, 2029; or

(2) any appointments made by the township trustee or township assessor (if the office exists) before January 1, 2029.

Sec. 17. (a) In 2028 and each year thereafter, the fiscal body of the recipient municipality shall, in the manner provided by IC 6-1.1-17, adopt a township services district levy for the ensuing year.

(b) If a recipient municipality fails to adopt a township services district levy, the township service district's most recently approved township services levy is continued for the ensuing budget year.

Sec. 18. (a) This section applies if a part of the reorganized township is located outside the boundaries of the municipality.

(b) The municipality shall establish:

(1) an urban township services district consisting of the area of the designated township that is located within the boundaries of the municipality; and

(2) a rural township services district consisting of the area of the designated township located outside the boundaries of the municipality.

(c) Subject to subsection (d), a tax levied under this section may be levied at:

(1) a uniform rate upon all taxable property within the designated township; or

(2) different rates for the township service districts included within the designated township, so long as a tax rate applies uniformly to all of a township service district's taxable property within the designated township.

(d) If a uniform tax rate is levied upon all taxable property within a designated township upon reorganization, different tax rates may be levied for the township service districts included within the designated township in subsequent years.

(e) Not later than October 1 of a year, the municipality shall submit the township services district levy for the rural township service district to the county fiscal body for its approval. Not later than October 15 of the year, the county fiscal body shall review the proposed township service district levy for the rural township service district. The county fiscal body may reduce or modify but not increase the proposed township service district levy.

(f) If:

(1) the municipality fails to adopt a township service district levy; or

(2) a county fiscal body does not adopt the township service district levy for a rural township district within the time specified under subsection (c);

the township service district's most recent township service district levy approved by the municipality or county, whichever is appropriate, is continued for the ensuing budget year.

(g) A tax levied by the recipient municipality under this chapter after December 31, 2028, shall:

(1) be in an amount sufficient for the recipient municipality to provide township services within a township service district; and

(2) include amounts necessary to continue payment of any debt service or obligation incurred by the township before January 1, 2029, in accordance with the terms of the debt service or obligation incurred.

Sec. 19. For purposes of the property tax levy limits under IC 6-1.1-18.5, a tax levied by a recipient municipality under this

chapter is included in the calculation of the maximum permissible property tax levy for the recipient municipality. For property taxes first due and payable in 2029, the recipient municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 shall be increased by:

(1) the township's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for property taxes first due and payable in 2028; multiplied by

(2) the maximum levy growth quotient under IC 6-1.1-18.5-2 for property taxes first due and payable in 2029.

The recipient municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for property taxes first due and payable in 2029 as adjusted under this section shall be used in the determination of the recipient municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for property taxes first due and payable in 2030 and thereafter.

Sec. 20. (a) The plan of reorganization governs the actions, duties, and powers of the recipient municipality and the designated 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 recipient municipality 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 28 of this chapter, the liabilities of the designated 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.

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

Sec. 21. The legislative body of the recipient municipality 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 recipient municipality is a municipality, the clerk of the municipality.

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

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

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

Sec. 22. The legislative body of the recipient municipality shall file a certified copy of the plan with each of the following at the same time certifications are made under section 21 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. 23. Each county recorder receiving a certification under sections 21 and 22 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 designated township is located.

Sec. 24. The designated township is reorganized under the conditions set forth in the plan of reorganization filed with the county recorder under this chapter.

Sec. 25. 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. 26. (a) This section applies to a reorganization under this chapter that involves:

(1) the recipient municipality; and

(2) at least one (1) designated 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 recipient municipality 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 recipient municipality 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 recipient municipality 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. 27. (a) A recipient municipality has the powers granted by statute to a designated township, including a power described in subsection (b).

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

(1) Establish any fund that the designated township (either acting on its own or jointly with another political subdivision) was authorized to establish before January 1, 2029.

(2) Impose any tax levy or adopt any tax that the designated township was authorized to impose or adopt before January 1, 2029.

Sec. 28. A plan of reorganization may establish within the designated township, territories, or districts:

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

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

Sec. 29. The following apply:

(1) Indebtedness that was incurred by the recipient

municipality or designated township before January 1, 2029:

(A) may not be imposed on taxpayers that were not responsible for payment of the indebtedness before January 1, 2029; and

(B) must be paid by the taxpayers that were responsible for payment of the indebtedness before January 1, 2029.

(2) Pension obligations existing as of January 1, 2029:

(A) may not be imposed on taxpayers that were not responsible for payment of the pension obligations before January 1, 2029; and

(B) must be paid by the taxpayers that were responsible for payment of the pension obligations before January 1, 2029.

Sec. 30. The following apply to a reorganization under this chapter:

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

(A) the recipient municipality is responsible after December 31, 2028, for providing township services in all areas of the designated township; and

(B) the recipient municipality retains the powers of the designated township after December 31, 2028, in order to provide township services as required by clause (A).

(2) Powers and duties of the recipient municipality 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 27 of this chapter applies to the debt service levy of the recipient municipality and to the department of local government finance's determination of the new maximum permissible ad valorem property tax levy for the recipient municipality.

(4) The recipient municipality 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 recipient municipality'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 designated 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 2028; multiplied by

(ii) the maximum levy growth quotient applicable for property taxes first due and payable in 2029; plus

(B) any amounts borrowed by the designated township under IC 36-6-6-14(b) or IC 36-6-6-14(c) in 2028.

Sec. 31. (a) Except as provided in subsections (c) through (d), a political subdivision may not take an action described in subsection (b) within a designated township after June 30, 2027.

(b) A political subdivision may not take any of the following actions partially or wholly within a designated township after June 30, 2027, unless the recipient municipality 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 recipient municipality 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, 2028.

Sec. 32. (a) Except as otherwise provided in this section, until the final plan of reorganization is approved by the legislative body of the recipient municipality, the recipient municipality or designated 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 recipient municipality or designated 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 recipient municipality or designated township.

(2) Making an expenditure of money from a fund controlled by the recipient municipality or designated 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 recipient municipality or designated township may assist the person in presenting information on the 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 recipient municipality or designated 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 recipient municipality or designated 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 recipient municipality or designated 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 recipient municipality or designated township to provide goods or services to the recipient municipality 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 recipient municipality or designated 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. 33. Nothing in this chapter shall be construed:

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

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

SECTION 4. IC 36-6-1.5-5, AS AMENDED BY P.L.255-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The township trustees, with the approval of a majority of the members of the township legislative body of each township that wants to merge township governments under this chapter, must comply with this section.

(b) The township trustees must present identical resolutions approving the township government merger to the trustees' respective township legislative bodies. A township legislative body may adopt a resolution under this chapter only after the legislative body has held a public hearing concerning the proposed merger. The township legislative body shall hold the hearing not earlier than thirty (30) days after the date the resolution is introduced. The hearing shall be conducted in accordance with IC 5-14-1.5 and notice of the hearing shall be published in accordance with IC 5-3-1.

(c) The township legislative bodies may, **and a township legislative body merging under IC 36-6-1.7 shall,** adopt the identical resolutions approving the township government merger under this chapter not later than ninety (90) days after the legislative body has held the public hearing under subsection (b).

(d) The trustees of the participating townships shall jointly file a copy of the identical resolutions with:

(1) the department of local government finance;

(2) the circuit court clerk; and

(3) the office of the secretary of state.

(e) **This subsection does not apply to a merger under IC 36-6-1.7.** A township legislative body may not adopt a resolution ordering a merger after January 1 of a year in which:

(1) a general election is held; and

(2) a township trustee is elected.

(f) A merger under this chapter may reduce the term of a township trustee of a former township government.

SECTION 5. IC 36-6-1.5-6, AS AMENDED BY P.L.255-2013, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a) This subsection does not apply to a merger under IC 36-6-1.7.** The merger becomes effective on January 1 of the year following the adoption of the resolution approving the

merger of the townships.

(b) An officer elected to represent the merged township government shall be considered to be a resident of the territory comprising the new township government. ~~unless the township merger is dissolved under IC 36-6-1.6.~~

SECTION 6. IC 36-6-1.5-8, AS ADDED BY P.L.240-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. **(a)** On the date a merger takes effect:

(1) the former township governments are abolished as separate entities;

(2) each township subject to the merger retains its geographical boundaries and its name;

(3) the territory of the new township government includes all the territory that comprised the territories of the former township governments before the merger;

(4) the agencies of the former township governments are abolished;

(5) the functions of the abolished agencies are assigned to agencies of the new township government;

(6) the:

(A) property;

(B) records;

(C) personnel;

(D) rights; and

(E) liabilities;

related to the functions of the abolished agencies are assigned to agencies of the new township government; and

(7) **Subject to subsection (b),** any bonds and other indebtedness of, or assumed by, the former township governments are transferred to the new township government.

(b) This subsection applies to a merger under IC 36-6-1.7. Indebtedness that was incurred by each former township government prior to the merger under IC 36-6-1.7:

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

(2) must be paid by the taxpayers that were responsible for payment of the indebtedness before the merger.

SECTION 7. IC 36-6-1.5-12, AS AMENDED BY P.L.255-2013, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to subsection (b), the officers of the new township government shall:

(1) obtain from the department of local government finance approval under IC 6-1.1-18.5-7 of:

(A) a budget;

(B) an ad valorem property tax levy; and

(C) a property tax rate;

(2) fix the annual budget under IC 6-1.1-17;

(3) impose a property tax levy; and

(4) take any action necessary to ensure the collection of fees and other revenue;

for the new township government for the budget year following the year the officers take office.

(b) The resolutions approving the township government merger under this chapter must specify the amount (if any) of the decrease that the department of local government finance shall make to the maximum permissible property tax levies, maximum permissible property tax rates, and budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of the new township to:

(1) eliminate double taxation for services or goods provided by the new township; or

(2) eliminate any excess by which the amount of property taxes imposed by the new township exceeds the amount necessary to pay for services or goods provided under this article.

(c) The fiscal body of the new township shall determine and certify to the department of local government finance the amount of the adjustment (if any) under subsection (b). The amount of the adjustment (if any) to be made under subsection (b) must comply with the resolutions approving the township government merger.

(d) The department may prescribe forms for submission to the department to expedite processing of mergers under IC 36-6-1.7.

SECTION 8. IC 36-6-1.6 IS REPEALED [EFFECTIVE UPON PASSAGE]. (Dissolution of Township Government Merger).

SECTION 9. IC 36-6-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 1.7. Merger of Certain Township Governments

Sec. 1. This chapter does not apply to a county having a consolidated city.

Sec. 2. As used in this chapter, "department" means the department of local government finance.

Sec. 3. As used in this chapter, "designated township" means a township government that has at least four (4) points assigned by the department under section 9 of this chapter.

Sec. 4. As used in this chapter, "new township government" means the township government that results from the merger of at least two (2) township governments under this chapter using the procedure set forth in IC 36-6-1.5.

Sec. 5. As used in this chapter, "recipient township" means a township government that has not more than three (3) points assigned by the department under section 9 of this chapter.

Sec. 6. (a) As used in this chapter, "state agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative department of state government.

(b) The term does not include the following:

(1) The legislative department of state government.

(2) The judicial department of state government.

(3) A state educational institution.

(4) A body corporate and politic created by statute.

Sec. 7. (a) The department shall compile the information in section 8 of this chapter for each township government.

(b) Any state agency having:

(1) data; or

(2) information relevant to developing the data;

required to prepare the list under section 9 of this chapter, as determined by the department, shall provide the information to the department in a timely manner.

Sec. 8. The department shall use the compiled data to assign points to each township government as follows:

(1) Two (2) points if a township government did not provide township assistance in calendar years 2023 and 2024 as provided in the annual reports submitted under IC 12-20-28-3 to the state board of accounts. The state board of accounts shall provide this information to the department.

(2) One (1) point if a township government does not actively manage fire protection or emergency medical services within the township on January 1, 2025. A township does not actively manage fire protection or emergency medical services if:

(A) the township government does not allocate funds for fire protection or emergency medical services;

(B) the township government is not a provider unit in a fire protection territory; or

(C) at least seventy-five percent (75%) of the non-capital and non-debt service expenses expended from:

(i) the township government's firefighting and

emergency services fund or the firefighting fund and emergency services fund under IC 36-8-13-4; or

(ii) the fire protection territory fund under IC 36-8-19-8, if the township government is a provider unit in a fire protection territory;

were payments to other governmental units, a volunteer fire department, or an independent fire company.

(3) One (1) point for each year that a township government did not file an annual finance report with the state board of accounts in 2023 or 2024.

(4) One (1) point for each year a township government did not file all required monthly upload reports as required by directive of the state board of accounts in 2024 or 2025.

(5) One (1) point if the township's annual appropriations and annual tax levy for 2023 were continued for the 2024 budget year under IC 6-1.1-17-3(d) or IC 6-1.1-17-5(f), as applicable.

(6) One (1) point if the township's annual appropriations and annual tax levy for 2024 were continued for the 2025 budget year under IC 6-1.1-17-3(d) or IC 6-1.1-17-5(f), as applicable.

(7) One (1) point if the sum of township assistance applications received by the township government in 2023 and 2024 is less than twenty-four (24) township assistance applications as provided in the annual reports submitted under IC 12-20-28-3 to the state board of accounts. The state board of accounts shall provide this information to the department.

(8) One (1) point for a township government that has a certified budget of less than one hundred thousand dollars ($100,000) for calendar year 2025.

(9) A maximum of one (1) point if:

(A) a township did not have a candidate on the election ballot for the office of township trustee in either the 2018 or 2022 general election; or

(B) a vacancy on July 1, 2026, in the position of township trustee has been vacant for at least thirty (30) calendar days.

However, a point may not be assigned to a township under clause (A) if the township did not have a candidate on the ballot in the 2018 or 2022 general election for the office of township trustee and the office was timely filled under IC 3-13-10 or IC 3-13-11 (whichever is applicable) before the date of the first meeting of the township board that is

required under IC 36-6-6-7 in the year following the general election. The election division (as defined in IC 3-5-2.1-37) shall, in consultation with the department, provide information available to the election division necessary for the department to carry out the requirements of this subdivision.

(10) A maximum of one (1) point if:

(A) a township did not have a candidate on the election ballot for all offices of the township board in either the 2018 or 2022 general election; or

(B) on July 1, 2026, there is at least one (1) vacancy on the township board that has been vacant for at least thirty (30) calendar days.

However, a point may not be assigned to a township under clause (A) if the township did not have a candidate on the ballot in the 2018 or 2022 general election for at least one (1) township board member office and the office was timely filled under IC 3-13-10 or IC 3-13-11 (whichever is applicable) before the date of the first meeting that is required under IC 36-6-6-7 in the year following the general election. The election division (as defined in IC 3-5-2.1-37) shall, in consultation with the department, provide information available to the election division necessary for the department to carry out the requirements of this subdivision.

Sec. 9. (a) The department shall:

(1) assign points under section 8(1) through 8(10) of this chapter for each township government; and

(2) determine the sum of points for each township government. A township assigned at least four (4) points is considered a designated township.

(b) The department shall prepare a list of townships organized:

(1) by county; and

(2) in descending order of the townships in the county having the most points to the townships in the county having the least points.

(c) The list prepared under subsection (b) shall specify which designated township satisfies all of the following criteria:

(1) At least eighty percent (80%) of the township's boundaries coincide with a municipality's boundaries.

(2) At least fifty-one percent (51%) of the township's population resides within the corporate boundaries of a municipality described in subdivision (1).

(d) Not later than December 31, 2026, the department shall:

(1) submit the list to the legislative council in an electronic format under IC 5-14-6; and

(2) post the list on the department's website.

Sec. 10. (a) Not later than March 31, 2027, a township that has been assigned four (4) or more points may file a petition with the department to reconsider and amend the township's point total on the grounds that the point total is incorrect or because compliance with a requirement set forth in section 8(1) through 8(10) of this chapter was not possible due to a disaster (as defined in IC 10-14-3-1) that significantly disrupted operations and reporting requirements of the township and the township was assigned a point by the department under section 8 of this chapter. The petition must be accompanied by evidence supporting the grounds for the petition.

(b) Not later than June 30, 2027, the department shall issue a written determination on all petitions received by the department. The department's determination on a petition is final and conclusive and may not be appealed.

Sec. 11. (a) This section applies if any township point totals are corrected by the department under section 10 of this chapter.

(b) Not later than July 1, 2027, the department shall:

(1) submit the final list to the legislative council in an electronic format under IC 5-14-6; and

(2) post the final list on the department's website.

Sec. 12. (a) If none of the township point totals are corrected by the department, the list that was posted under section 9(d) of this chapter is the final list and may not be appealed.

(b) The department shall post on the department's website each:

(1) petition filed under section 10(a) of this chapter; and

(2) written determination issued by the department under section 10(b) of this chapter.

Sec. 13. A designated township:

(1) that satisfies the criteria specified in section 9(c) of this chapter shall reorganize in accordance with IC 36-1.5-4.1; and

(2) that does not satisfy the criteria specified in section 9(c) of this chapter shall, except as otherwise provided, merge with another township in accordance with section 14 of this chapter.

Sec. 14. (a) Using the process set forth in IC 36-6-1.5, each designated township, excluding any township that has commenced a merger or consolidation under IC 36-1.5-4 or IC 36-6-1.5 with

another unit before July 1, 2027, must merge with at least one (1) other township government in the county. After all township mergers in accordance with this section are complete, a county must have at least two (2) townships. The following requirements apply to each merger:

(1) Except as provided in subdivision (2), at least one (1) township government that merges with a designated township must be a recipient township.

(2) If all townships in a county are designated townships, the county executive shall select two (2) of the designated townships participating in the merger to form a new township government to perform the functions of a recipient township.

(3) The merger must satisfy the contiguity requirements set forth in IC 36-6-1.5-4.

(b) The department may require a county executive to report actions taken by a county executive under subsection (a) to the department in a manner and on forms prescribed by the department.

Sec. 15. Not later than August 1, 2027, the county executive body shall conduct a public meeting of all township trustees within the county to discuss the merger.

Sec. 16. (a) The county executive shall determine which township governments will merge. The county executive's decision shall:

(1) take into account the wishes of the designated townships and recipient townships; and

(2) comply with the requirements of section 14 of this chapter.

(b) Not later than October 1, 2027, the county executive shall adopt a resolution that names the township governments that will merge.

(c) The new township government shall certify the final action in the manner prescribed by the department to each of the following:

(1) The county legislative body.

(2) The county executive body.

(3) The clerk of the circuit court.

(4) The county fiscal officer.

(5) The county recorder.

(6) The county voter registration office.

(7) The secretary of state's office.

Sec. 17. (a) Not later than February 28, 2028, the following must be submitted to the department:

(1) The resolutions adopted by the participating townships and submitted by the township trustees under IC 36-6-1.5-5(d).

(2) The estimated budget and proposed tax rate and tax levy of the new township government for the 2029 budget year, submitted by the township trustee of the recipient township.

(b) The information under subsection (a) shall be submitted on any forms prescribed by the department for a merger under IC 36-6-1.5-12.

Sec. 18. The department shall certify a new township government's budget, tax rate, and levy as set forth in IC 6-1.1-17-16. The department shall not approve a new township government's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for taxes first due and payable in 2029 that exceeds the result of:

(1) the sum of the maximum permissible ad valorem property tax levies of the designated townships and recipient township participating in the merger for taxes first due and payable in 2028; multiplied by

(2) the maximum levy growth quotient under IC 6-1.1-18.5-2 for property taxes first due and payable in 2029.

Sec. 19. All township government mergers under this chapter must be effective not later than January 1, 2029.

Sec. 20. The new township government shall pay all costs associated with the merger.

Sec. 21. After the effective date of a merger under this chapter and not later than December 31, 2030, the new township government shall consist of the following:

(1) The township trustee of the recipient township shall serve as the executive of the new township government. If the merger consists of more than one (1) recipient township:

(A) the township trustee of the recipient township with the least number of points; or

(B) the township trustee of the recipient township designated by the county executive body, if all recipient townships participating in the merger have the same number of points;

shall serve as the executive of the new township government.

(2) The township legislative body of the recipient township and one (1) board member of each of the other townships participating in the merger (selected by majority vote of the members of the designated township's legislative body) shall

serve as the legislative body of the new township government. If the merger consists of more than one (1) recipient township:

(A) the township board of the recipient township with the least number of points; or

(B) the township board of the recipient township designated by the county executive body, if all recipient townships participating in the merger have the same number of points;

shall serve as the legislative body of the new township government.

Sec. 22. Notwithstanding IC 36-6-1.5-8, a township merger under this chapter does not affect the office of township assessor. After a merger, the township assessor remains the elected township assessor for the territory within the geographical boundaries of the township assessor's former township. Only voters residing within the boundaries of the township assessor's former township may elect the office of the township assessor.

Sec. 23. A township trustee and township board of the new township government shall be elected in the general election in 2030 in accordance with IC 36-6-6-2.1 and IC 36-6-6-3. A township assessor, if any, shall be elected only for the area within the geographical boundaries of the township assessor's former township under IC 36-6-5-1.

Sec. 24. (a) Each county executive body shall prepare a report, on a form prescribed by the department, containing the following information:

(1) The number of townships in the county as of January 1, 2027.

(2) The number of townships in the county after mergers are carried out under this chapter.

(3) A map of the townships in the county as of January 1, 2027.

(4) A map of the townships after mergers are carried out under this chapter.

(5) An explanation of which townships are to merge.

(6) An explanation of how the mergers will impact fire protection operations and services within the county.

(7) An explanation of how the mergers will impact emergency medical service operations and coverage within the county.

(8) An explanation of any cost savings that will be realized as a result of the mergers.

(b) Not later than January 1, 2028, the county executive body shall submit the report to:

(1) the executive director of the legislative services agency in an electronic format under IC 5-14-6; and

(2) the department.

SECTION 10. IC 36-6-4-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 21. (a) As used in this section, "department" refers to the department of local government finance.**

(b) Beginning in 2026, and each year thereafter, each township trustee shall submit, using the department's computer gateway established under IC 5-14-3.8-3, the following information in a manner prescribed by the department, in consultation with the department of homeland security:

(1) Whether the township operates a fire department, including a volunteer fire department, and, if so, the name of the fire department operated by the township.

(2) Whether the township participates in a fire territory under IC 36-8-19, and, if so, the name of the unit that is the provider unit.

(3) Whether the township participates in a fire protection district under IC 36-8-11, and, if so, the name of the fire department.

(4) Whether the township has an agreement with another unit to provide fire protection in a manner other than described in subdivisions (1) through (3), and the name of each unit that participates in the agreement.

(5) Whether fire protection is provided by a municipality, and, if so, the name of the municipality.

(6) Contact information for each fire department or provider unit described in subdivisions (1) through (5).

(7) The types of emergency services provided by each fire department or provider unit described in subdivisions (1) through (5).

(8) Any information prescribed by the department, in consultation with the department of homeland security necessary for the department of homeland security to comply with subsection (d).

(c) The department shall compile the information provided to the department under subsection (b) and provide the information to the department of homeland security.

(d) The department of homeland security shall use the information provided by the department under subsection (c) to ascertain the following information:

(1) The entity that provides fire protection for each township.

(2) Where each fire department and provider unit is located.

(3) The service area for each fire department or fire territory.

(4) Whether the fire service provided within the township is provided by a professional or volunteer fire department.

(5) The types of emergency services provided in each township.

(6) Contact information for each fire department and provider unit that provides fire and emergency services in the township, including the following information:

(A) The contact name and address.

(B) The telephone number.

(C) The electronic mail address.

(7) Any other information the department of homeland security deems necessary.

(e) The information described in subsection (d) shall be made available on the department of homeland security's website and made available in a machine readable format.

SECTION 11. IC 36-6-5-1, AS AMENDED BY P.L.167-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Subject to subsection (g), before 2009, a township assessor shall be elected under IC 3-10-2-13 by the voters of each township:

(1) having:

(A) a population of more than eight thousand (8,000); or

(B) an elected township assessor or the authority to elect a township assessor before January 1, 1979; and

(2) in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000).

(b) Subject to subsection (g), before 2009, a township assessor shall be elected under IC 3-10-2-14 (repealed effective July 1, 2008) in each township:

(1) having a population of more than five thousand (5,000) but not more than eight thousand (8,000), if:

(A) the legislative body of the township, by resolution, declares that the office of township assessor is necessary; and

(B) the resolution is filed with the county election board not later than the first date that a declaration of candidacy may be filed under IC 3-8-2; and

(2) in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000).

(c) Subject to subsection (g), a township government that is created by merger under IC 36-6-1.5 shall elect only one (1) township assessor under this section. **However, if a township government is created by merger under IC 36-6-1.7, the merger does not affect the office of township assessor. The voters of each township having a township assessor before the merger is effective shall continue to elect one (1) township assessor after the merger is effective. The elected township assessor shall perform all assessing duties within the geographical boundaries of the township assessor's former township.**

(d) Subject to subsection (g), after 2008 a township assessor shall be elected under IC 3-10-2-13 only by the voters of each township in which:

(1) the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000); and

(2) the transfer to the county assessor of the assessment duties prescribed by IC 6-1.1 is disapproved in the referendum under IC 36-2-15.

(e) The township assessor must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the township.

(f) The term of office of a township assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified. However, the term of office of a township assessor elected at a general election in which no other township officer is elected ends on December 31 after the next election in which any other township officer is elected.

(g) To be eligible to serve as a township assessor, an individual must meet the following qualifications before taking office:

(1) If the individual has never held the office of township assessor, the individual must have attained a level two assessor-appraiser certification under IC 6-1.1-35.5.

(2) If the individual has held the office of township assessor, the individual must have attained a level three assessor-appraiser certification under IC 6-1.1-35.5.

(h) After June 30, 2008, the county assessor shall perform the assessment duties prescribed by IC 6-1.1 in a township in which the number of parcels of real property on January 1, 2008, is less than fifteen thousand (15,000).

SECTION 12. IC 36-6-5-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5. (a) The county fiscal body may adopt a resolution to transfer the duties of a township assessor to the county assessor if all of the following apply:**

(1) The office of township assessor has been vacant for at least ninety (90) days.

(2) A caucus was held under IC 3-13-11 but failed to fill the vacancy described in subdivision (1).

(3) The township board for that township has adopted a resolution approving the transfer of duties of the township assessor to the county assessor.

(4) The township trustee for that township has approved, in writing, the transfer of duties of the township assessor to the county assessor.

(b) The following apply in a county in which the county fiscal body adopts a resolution under subsection (a):

(1) The office of township assessor for that township is abolished.

(2) All the powers and duties of the township assessor are transferred to the county assessor of the county in which the township is located.

(3) All of the following are transferred to the county assessor:

(A) All employment positions of all employees of the township assessor.

(B) The real and personal property of the township assessor.

(C) The outstanding obligations of the township assessor.

(D) The funds of the township assessor.

(4) The county auditor shall transfer to the county assessor all revenue received by the township:

(A) through the date that the office of the township assessor becomes vacant; and

(B) for the purpose of carrying out property assessment duties.

(c) The county fiscal body shall include in the resolution adopted under subsection (a) any additional items necessary to effectuate the transfer of duties from the township assessor to the county assessor.

(d) This section expires January 2, 2027.

SECTION 13. IC 36-6-6-2.1, AS ADDED BY P.L.240-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

UPON PASSAGE]: Sec. 2.1. ~~(a) This section applies if township governments merge under IC 36-6-1.5.~~

~~(b)~~ **(a) This subsection does not apply to a township government merger under IC 36-6-1.7.** If two (2) township governments merge, the resulting merged township government shall elect a three (3) member township board. The voters of the resulting merged township government shall elect all the members of the township board. One (1) member must reside within the boundaries of each of the township governments that merged.

~~(c)~~ **(b) This subsection does not apply to a township government merger under IC 36-6-1.7.** If at least three (3) township governments merge, the resulting merged township government shall elect a township board that has the same number of members as the number of township governments that merged. The voters of the resulting merged township shall elect all the members of the township board. One (1) township board member must reside within the boundaries of each of the townships that merged.

(c) This subsection only applies to a township government merger under IC 36-6-1.7. Beginning with the 2030 general election, all voters of the resulting merged township government shall elect a three (3) member township board. Township board members shall be elected at large.

SECTION 14. IC 36-6-6-3, AS AMENDED BY P.L.240-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) This subsection applies to townships in a county containing a consolidated city. One (1) member of the legislative body must reside within each legislative body district. If a member of the legislative body ceases to be a resident of the district from which the member was elected, the office becomes vacant.

(b) This subsection applies to townships not included in subsection (a) or (c). A member of the legislative body must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. If a member of the legislative body ceases to be a resident of the township, the office becomes vacant.

(c) This subsection applies to a township government that:

(1) is created by a merger of township governments under IC 36-6-1.5; and

(2) elects a township board under section ~~2.1~~ **2.1(a) or 2.1(b)** of this chapter.

One (1) member of the legislative body must reside within the boundaries of each of the former townships that merged. If a member of the legislative body ceases to be a resident of that former township,

the office becomes vacant.

(d) This subsection applies to a township government that:

(1) is created by a merger of township governments under IC 36-6-1.7; and

(2) elects a township board under section 2.1(c) of this chapter.

All members are elected at large by all voters within the merged township. If a member of the legislative body ceases to be a resident of the merged township, the office becomes vacant.

SECTION 15. IC 36-6-6-4, AS AMENDED BY P.L.159-2021, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Except as provided in subsections (b) and (c), two (2) members of the legislative body constitute a quorum.

(b) ~~Before January 1, 2017, four (4) members of the legislative body in a county containing a consolidated city constitute a quorum. After December 31, 2016,~~ Three (3) members of the legislative body in a county having a consolidated city constitute a quorum.

(c) This subsection applies to a township government that:

(1) is created by a merger of township governments under IC 36-6-1.5 **(excluding a township that merges under IC 36-6-1.7);** and

(2) elects the township legislative body under section 2.1 of this chapter.

A majority of the members of the township legislative body constitute a quorum. If a township legislative body has an even number of members, the township executive shall serve by virtue of office as a member of the township legislative body for the purpose of casting the deciding vote to break a tie.

(d) For townships not described in subsection (c), **including a township that merges under IC 36-6-1.7,** the township executive shall serve by virtue of office as a member of the township legislative body for the purpose of casting the deciding vote to break a tie. However, the township executive may not vote to break a tie on the adoption of an ordinance to increase the township executive's compensation (as defined in section 10 of this chapter).

SECTION 16. **An emergency is declared for this act.**

President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

SEA 270 — Concur