
HOUSE BILL No. 1526

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-1; IC 36-6-1-6.

Synopsis: Alteration and formation of townships. Allows a township that is not located: (1) in Marion County; and (2) within a municipality; to become part of a contiguous township in the county if the transfer is approved by a referendum in the township seeking transfer. Allows the entire territory of a municipality that is not located in Marion County to become part of a contiguous township in the county if the transfer is approved by a referendum in the municipality seeking transfer. Allows the entire territory of a municipality that is not located in Marion County to become a new township if the formation of the new township is approved by a referendum in the municipality seeking transfer. Repeals the provision imposing minimum size or valuation requirements on a newly created or altered township.

Effective: July 1, 2011.

Stevenson

January 20, 2011, read first time and referred to Committee on Government and Regulatory Reform.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1526



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 36-1-1.4 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]:

4 **Chapter 1.4. Transfer of Township Territory to a Contiguous**
5 **Township**

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

8 **Sec. 2. As used in this chapter, "order" refers to an ordinance**
9 **adopted by the county executive under section 12 of this chapter**
10 **that orders the alteration of township boundaries.**

11 **Sec. 3. As used in this chapter, "recipient township" refers to a**
12 **township to which another township is transferred under this**
13 **chapter.**

14 **Sec. 4. As used in this chapter, "transferring township" refers**
15 **to a township that becomes part of a contiguous township under**
16 **this chapter.**

17 **Sec. 5. This chapter does not prohibit:**



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- (1) reorganizing; or
 - (2) altering the boundaries;
- of one (1) or more townships under any other law.

Sec. 6. (a) This chapter allows a township that does not have any of its territory within the boundaries of a municipality to become part of a contiguous township within the county.

(b) A municipality may transfer its entire territory to a contiguous township under IC 36-1-1.5.

Sec. 7. The alteration of township boundaries under this chapter must be submitted to a local public question. The local public question may be held only if a petition signed by at least ten percent (10%) of the voters residing in the transferring township is submitted to the circuit court clerk requesting that a local public question be placed on the ballot.

Sec. 8. If the circuit court clerk determines that a petition submitted under section 7 of this chapter has a sufficient number of signatures, the county election board shall place the following question on the ballot in accordance with IC 3-10-9:

"Shall (insert name of township) become a part of (insert name of township)?"

Sec. 9. (a) The county election board shall place the local public question on the ballot during the next general election or primary election for which the question may be certified under IC 3-10-9-3 in the transferring township.

(b) The circuit court clerk shall determine the number of registered voters residing within the transferring township. The circuit court clerk shall submit the information to the county election board.

Sec. 10. If a majority of the votes cast on the public question by the voters of the transferring township are:

- (1) not in favor of becoming part of a contiguous township, the township may not become part of the contiguous township; or
- (2) in favor of becoming part of a contiguous township, the township becomes part of the contiguous township.

Sec. 11. (a) After an election under section 9 of this chapter, the clerk of the county shall:

- (1) make a certified copy of the election returns; and
- (2) not later than five (5) days after the election, file the copy with the county auditor.

(b) The county auditor shall, not later than five (5) days after the returns are filed in the county auditor's office:

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- 1 (1) make a true and complete copy of the returns, certified by
- 2 the county auditor; and
- 3 (2) deposit the copy of the returns with the county executive
- 4 and the township executive of the transferring township and
- 5 recipient township.

6 Sec. 12. This section applies if the voters of a transferring
 7 township vote in favor of becoming part of a contiguous township.
 8 After receiving a copy of the returns under section 11 of this
 9 chapter, the county executive shall adopt an ordinance ordering an
 10 alteration of the recipient township's boundaries conforming to the
 11 terms of the petition. The county executive shall file a copy of the
 12 ordinance with:

- 13 (1) the circuit court clerk; and
- 14 (2) the office of the secretary of state.

15 Sec. 13. Except as provided in section 14 of this chapter, an
 16 order becomes effective on the later of the following:

- 17 (1) The date specified in the ordinance.
- 18 (2) The date the county executive files the ordinance under
- 19 section 12 of this chapter.

20 Sec. 14. An order may not take effect during the year preceding
 21 a year in which a federal decennial census is conducted. An order
 22 that would otherwise take effect during the year preceding a year
 23 in which a federal decennial census is conducted takes effect
 24 January 2 of the year in which a federal decennial census is
 25 conducted.

26 Sec. 15. If a majority of the votes cast on the public question by
 27 the voters of the transferring township are not in favor of
 28 becoming part of a contiguous township, a local public question
 29 under this chapter may not be conducted for three (3) years
 30 following the date of the vote.

31 Sec. 16. (a) The following occur on the effective date of the
 32 order:

- 33 (1) The township government of the transferring township is
- 34 abolished.
- 35 (2) The geographical boundaries of the recipient township
- 36 include all the territory of the recipient township and the
- 37 transferring township.
- 38 (3) The offices, agencies, and departments of the transferring
- 39 township are abolished, and the:
- 40 (A) property;
- 41 (B) records;
- 42 (C) equipment;

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1 (D) personnel; and
2 (E) contracts;
3 of the township are transferred to the recipient township
4 government.

5 (4) Any bonds and other indebtedness of, or assumed by, the
6 transferring township are transferred to the recipient
7 township. However, the recipient township may levy property
8 taxes to pay the indebtedness only within the former
9 boundaries of the transferred township that incurred the
10 indebtedness.

11 (5) The recipient township retains its name.

12 (b) Notwithstanding subsection (a)(3)(D), the recipient township
13 executive shall specify which transferring township employees that
14 provided fire protection services and emergency services before the
15 dissolution of the transferring township government under this
16 chapter become employees of the recipient township responsible
17 for fire protection services and emergency services.

18 (c) If the transferring township has a local board for the 1937
19 firefighters' pension fund or the 1977 police officers' and
20 firefighters' pension and disability fund, that local board is
21 dissolved on the effective date of the order, and the powers, duties,
22 and responsibilities of the local board under IC 36-8-7 or
23 IC 36-8-8, respectively, are assumed by the recipient township's
24 local board for the 1937 firefighters' pension fund and the recipient
25 township's local board for the 1977 police officers' and firefighters'
26 pension and disability fund, respectively. Notwithstanding any
27 other provision, the legislative body of the recipient township may
28 adopt an ordinance to adjust the membership of the recipient
29 township's local board to reflect the dissolution of the transferring
30 township's local board.

31 (d) A recipient township shall levy property taxes (within the
32 township's maximum permissible ad valorem property tax levy
33 limit) as necessary to provide for the payment of pension benefits:

- 34 (1) to members of the 1937 firefighters' pension fund; and
- 35 (2) for which, before the dissolution of the transferring
36 township government under this chapter, the local board of
37 the transferring township was responsible.

38 Sec. 17. Notwithstanding any other law to the contrary, after the
39 effective date of the order, the transferring township's distributive
40 share of any state or local taxes or revenues (other than property
41 taxes) is reduced to zero (0) and is transferred to the recipient
42 township.

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1 **Sec. 18. (a) On the date the order becomes effective, the balance**
2 **in a debt service fund of a transferring township:**
3 **(1) is transferred to the recipient township; and**
4 **(2) shall be used by the recipient township to pay indebtedness**
5 **or lease rentals of the transferring township for which the**
6 **fund was established.**
7 **Any balance remaining in the fund after all payments for**
8 **indebtedness or lease rentals required under this section have been**
9 **made shall be transferred to the recipient township general fund.**
10 **(b) On the date the order becomes effective, the balance in a**
11 **transferring township's cumulative building and equipment fund**
12 **established under IC 36-8-14 for fire protection and related**
13 **services:**
14 **(1) is transferred to the recipient township; and**
15 **(2) shall be used by the recipient township to pay any**
16 **indebtedness or lease rentals related to fire protection services**
17 **due after the effective date of the order.**
18 **Any balance remaining in the fund after all payments for**
19 **indebtedness or lease rentals required under this section have been**
20 **made shall be transferred to the recipient township cumulative**
21 **building and equipment fund.**
22 **(c) On the date the order becomes effective, the balance in a**
23 **transferring township's general fund:**
24 **(1) is transferred to the recipient township; and**
25 **(2) shall be deposited in the recipient township general fund.**
26 **(d) On the date the order becomes effective, the balance in a**
27 **transferring township's township assistance fund:**
28 **(1) is transferred to the recipient township; and**
29 **(2) shall be deposited in the recipient township assistance**
30 **fund.**
31 **(e) The department of local government finance shall determine**
32 **the amounts to be transferred under this section.**
33 **Sec. 19. The department of local government finance shall**
34 **adjust as necessary the ad valorem property tax levy of the**
35 **recipient township and the transferring township to reflect transfer**
36 **of territory under this chapter.**
37 **SECTION 2. IC 36-1-1.5 IS ADDED TO THE INDIANA CODE**
38 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**
39 **JULY 1, 2011]:**
40 **Chapter 1.5. Transfer of Municipality to a Contiguous**
41 **Township**
42 **Sec. 1. This chapter does not apply to a county having a**

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consolidated city.

Sec. 2. As used in this chapter, "order" refers to an ordinance adopted by the county executive under section 14 of this chapter that orders the alteration of township boundaries.

Sec. 3. As used in this chapter, "recipient township" refers to a township to which the territory within a municipality is transferred under this chapter.

Sec. 4. As used in this chapter, "transferring municipality" refers to a municipality the territory of which becomes part of a contiguous township under this chapter.

Sec. 5. This chapter does not prohibit:

- (1) reorganizing; or
 - (2) altering the boundaries;
- of one (1) or more townships under any other law.

Sec. 6. (a) The territory of a municipality may become part of a contiguous township within the county as provided in this chapter.

(b) A municipality may not transfer less than its entire territory to a contiguous township under this chapter.

Sec. 7. For purposes of this chapter, the boundaries of a municipality are the boundaries as of the date a petition is submitted to the circuit court clerk requesting that a local public question be placed on the ballot.

Sec. 8. The alteration of township boundaries under this chapter must be submitted to a local public question. The local public question may be held only if a petition signed by at least ten percent (10%) of the voters residing in the transferring municipality is submitted to the circuit court clerk requesting that a local public question be placed on the ballot.

Sec. 9. If the circuit court clerk determines that a petition submitted under section 8 of this chapter has a sufficient number of signatures, the county election board shall place the following question on the ballot in accordance with IC 3-10-9:

"Shall the territory of (insert the name of the municipality) become a part of (insert the name of township)?".

Sec. 10. The county election board shall place the local public question on the ballot during the next general election or primary election for which the question may be certified under IC 3-10-9-3 in the transferring municipality.

Sec. 11. The circuit court clerk shall determine the number of registered voters residing within the transferring municipality. The circuit court clerk shall submit the information to the county

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election board.

Sec. 12. If a majority of the votes cast on the public question by voters of the municipality are:

- (1) not in favor of becoming part of a contiguous township, the territory of the municipality may not become part of the contiguous township; or**
- (2) in favor of becoming part of a contiguous township, the territory of the municipality becomes part of the contiguous township.**

Sec. 13. (a) After an election under section 10 of this chapter, the clerk of the county shall:

- (1) make a certified copy of the election returns; and**
- (2) not later than five (5) days after the election, file the copy with the county auditor.**

(b) The county auditor shall, not later than five (5) days after the returns are filed in the county auditor's office:

- (1) make a true and complete copy of the returns, certified by the county auditor; and**
- (2) deposit the copy of the returns with the:**
 - (A) county executive;**
 - (B) township executive of the township in which the transferring municipality is located;**
 - (C) recipient township; and**
 - (D) executive of the transferring municipality.**

Sec. 14. This section applies if the voters of a transferring municipality vote in favor of the territory of the municipality becoming part of a contiguous township. After receiving a copy of the returns under section 13 of this chapter, the county executive shall adopt an ordinance ordering an alteration of the boundaries of the township in which the transferring municipality is located and the recipient township, conforming to the terms of the petition. The county executive shall file a copy of the ordinance with:

- (1) the circuit court clerk; and**
- (2) the office of the secretary of state.**

Sec. 15. Except as provided in section 16 of this chapter, an order becomes effective on the later of the following:

- (1) The date specified in the ordinance.**
- (2) The date the county executive files the ordinance under section 13 of this chapter.**

Sec. 16. An order may not take effect during the year preceding a year in which a federal decennial census is conducted. An order that would otherwise take effect during the year preceding a year

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in which a federal decennial census is conducted takes effect January 2 of the year in which a federal decennial census is conducted.

Sec. 17. If a majority of the votes cast on the public question by the voters of the transferring municipality are not in favor of becoming part of a contiguous township, a local public question under this chapter may not be conducted for three (3) years following the date of the vote.

Sec. 18. (a) The following occur on the effective date of the order:

- (1) The geographical boundaries of the recipient township include all the territory of the recipient township and the transferred municipality.
- (2) The geographical boundaries of the transferred municipality remain unchanged.
- (3) The recipient township retains its name.

(b) If the township from which the territory of a municipality is transferred is indebted or has outstanding unpaid bonds or other obligations at the time the order becomes effective, the recipient township is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the transferred municipality bears to the assessed valuation of all property in the township from which the municipality is transferred, as shown by the most recent assessment for taxation before the transfer.

(c) If the indebtedness consists of outstanding unpaid bonds or notes of the township from which a municipality is transferred, the payments to the township shall be made as the principal or interest on the bonds or notes becomes due. However, the recipient township may levy property taxes to pay the indebtedness only within the former boundaries of the transferring municipality.

Sec. 19. The department of local government finance shall adjust as necessary the ad valorem property tax levy of the:

- (1) township from which the municipality is transferred; and
- (2) recipient township;

to reflect a transfer of territory under this chapter.

SECTION 3. IC 36-1-1.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 1.6. Establishing a New Township

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

Sec. 2. As used in this chapter, "order" refers to an ordinance

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1 adopted by the county executive under section 13 of this chapter
 2 that orders the alteration of township boundaries and creates a
 3 new township.
 4 Sec. 3. As used in this chapter, "transferring municipality"
 5 refers to a municipality the territory of which becomes a new
 6 township or part of a new township.
 7 Sec. 4. (a) The territory of a municipality may form a separate
 8 township within the county as provided in this chapter.
 9 (b) The new township may not consist of less than the entire
 10 territory of the municipality.
 11 Sec. 5. This chapter does not prohibit:
 12 (1) reorganizing; or
 13 (2) altering the boundaries;
 14 of one (1) or more townships under any other law.
 15 Sec. 6. For purposes of this chapter, the boundaries of a
 16 municipality are the boundaries as of the date a petition is
 17 submitted to the circuit court clerk requesting that a local public
 18 question be placed on the ballot.
 19 Sec. 7. The alteration of township boundaries under this chapter
 20 must be submitted to a local public question. The local public
 21 question may be held only if a petition signed by at least ten
 22 percent (10%) of the voters residing in the municipality is
 23 submitted to the circuit court clerk requesting that a local public
 24 question be placed on the ballot.
 25 Sec. 8. If the circuit court clerk determines that a petition
 26 submitted under section 7 of this chapter has a sufficient number
 27 of signatures, the county election board shall place the following
 28 question on the ballot in accordance with IC 3-10-9:
 29 "Shall the territory of (insert the name of the municipality)
 30 become a separate township?"
 31 Sec. 9. The county election board shall place the local public
 32 question on the ballot during the next general election or primary
 33 election for which the question may be certified under IC 3-10-9-3
 34 in the transferring municipality.
 35 Sec. 10. The circuit court clerk shall determine the number of
 36 registered voters residing within the transferring municipality. The
 37 circuit court clerk shall submit the information to the county
 38 election board.
 39 Sec. 11. (a) If a majority of the votes cast on the public question
 40 by the voters of a transferring municipality are not in favor of
 41 becoming a new township, the territory of the municipality may
 42 not become a township.

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1 (b) If a majority of the votes cast on the public question by the
2 voters of a transferring municipality are in favor of becoming a
3 new township, the territory of the municipality becomes a
4 township. The geographical boundaries of the transferred
5 municipality remain unchanged.

6 Sec. 12. (a) After an election under section 9 of this chapter, the
7 clerk of the county shall:

- 8 (1) make a certified copy of the election returns; and
- 9 (2) not later than five (5) days after the election, file the copy
10 with the county auditor.

11 (b) The county auditor shall, not later than five (5) days after
12 the returns are filed in the county auditor's office:

- 13 (1) make a true and complete copy of the returns, certified by
14 the county auditor; and
- 15 (2) deposit the copy of the returns with the:
 - 16 (A) county executive;
 - 17 (B) township executive of the township in which the
18 transferring municipality is located; and
 - 19 (C) executive of the transferring municipality.

20 Sec. 13. (a) This section applies if the voters of a municipality
21 vote in favor of the territory of the municipality becoming a new
22 township. After receiving a copy of the returns under section 12 of
23 this chapter, the county executive shall adopt an ordinance
24 ordering:

- 25 (1) an alteration of the boundaries of the township from which
26 the municipality is transferred to reflect the transfer of the
27 territory of the municipality; and
- 28 (2) the creation of a new township with boundaries
29 conforming to all territory within the municipality that
30 approves the transfer under section 11(b) of this chapter.

31 (b) The county executive shall file a copy of the ordinance with:

- 32 (1) the circuit court clerk; and
- 33 (2) the office of the secretary of state.

34 Sec. 14. Except as provided in section 15 of this chapter, an
35 order becomes effective on the later of the following:

- 36 (1) The date specified in the ordinance.
- 37 (2) The date the county executive files the ordinance under
38 section 13 of this chapter.

39 Sec. 15. An order may not take effect during the year preceding
40 a year in which a federal decennial census is conducted. An order
41 that would otherwise take effect during the year preceding a year
42 in which a federal decennial census is conducted takes effect

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January 2 of the year in which a federal decennial census is conducted.

Sec. 16. If a majority of the votes cast on the public question by the voters of a transferring municipality are not in favor of the territory of the municipality becoming a new township, a local public question under this chapter may not be conducted for three (3) years following the date of the vote.

Sec. 17. (a) If the township from which the territory of a municipality is transferred is indebted or has outstanding unpaid bonds or other obligations at the time the transfer is effective, the new township is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the transferred municipality bears to the assessed valuation of all property in the township from which the municipality is transferred, as shown by the most recent assessment for taxation before the transfer.

(b) If the indebtedness consists of outstanding unpaid bonds or notes of the township from which a municipality is transferred, the payments to the township shall be made as the principal or interest on the bonds or notes becomes due.

Sec. 18. The officers of the new township 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 for the budget year in which the order becomes effective.

Sec. 19. The department of local government finance shall adjust as necessary the ad valorem property tax levy of the township from which the municipality is transferred to reflect a transfer of territory under this chapter.

SECTION 4. IC 36-6-1-6 IS REPEALED [EFFECTIVE JULY 1, 2011].

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