
HOUSE BILL No. 1300

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-1.5; IC 36-4-1-1.

Synopsis: Counties having a consolidated city. Raises the population threshold at which a city qualifies to become a first class city to 1,500,000. Establishes a process for deconsolidation of a consolidated city if the population of the consolidated city becomes less than the number that defines a first class city. Provides that each political subdivision in the county having the consolidated city becomes a reorganizing political subdivision and establishes a reorganization committee to prepare a plan to reorganize the political subdivisions in the county. Provides the procedures for the operation of the reorganizing committee. Provides the details required for the reorganization plan. Provides that if the voters of the county approve the reorganization plan, the political subdivisions in the county are reorganized as provided in the reorganization plan. Provides that if the voters of the county do not approve the reorganization plan, the consolidated city becomes a second class city and the other political subdivisions in the county will be governed as provided by law for other like political subdivisions.

Effective: July 1, 2012; January 1, 2013.

Bartlett

January 11, 2012, read first time and referred to Committee on Local Government.

C
o
p
y



Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

C
o
p
y

HOUSE BILL No. 1300



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

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

1 SECTION 1. IC 36-1.5-2-5, AS ADDED BY P.L.186-2006,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2013]: Sec. 5. "Reorganization" means a change in the
4 structure or administration of a political subdivision described in **any**
5 **of the following:**

6 (1) IC 36-1.5-4-3 and IC 36-1.5-4-4.

7 (2) **IC 36-1.5-6.**

8 SECTION 2. IC 36-1.5-2-7, AS ADDED BY P.L.186-2006,
9 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2013]: Sec. 7. "Reorganized political subdivision" means
11 ~~the a~~ political subdivision that is ~~the a~~ successor to the reorganizing
12 political subdivisions participating in a reorganization.

13 SECTION 3. IC 36-1.5-2-8, AS ADDED BY P.L.186-2006,
14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2013]: Sec. 8. "Reorganizing political subdivision"
16 refers to a political subdivision in which **any of the following apply:**

17 (1) A resolution has been adopted under IC 36-1.5-4-10 **or by the**



1 **legislative body of the political subdivision.**

2 (2) A petition has been filed under IC 36-1.5-4-11 by the voters
3 of the political subdivision.

4 (3) The political subdivision is a consolidated city, the county
5 containing the consolidated city, or a political subdivision
6 within the county containing the consolidated city to which
7 IC 36-1.5-6 applies.

8 SECTION 4. IC 36-1.5-6 IS ADDED TO THE INDIANA CODE
9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2013]:

11 **Chapter 6. Deconsolidation of a Consolidated City and the**
12 **Consolidated City's County**

13 **Sec. 1. This chapter applies if the population of a consolidated**
14 **city becomes less than the population parameter that defines a first**
15 **class city under IC 36-4-1-1.**

16 **Sec. 2. As used in this chapter, "effective date of**
17 **deconsolidation" refers to January 1 of the year immediately**
18 **following the year that municipal elections are held after the public**
19 **question described in section 12 of this chapter is submitted to the**
20 **voters of the county.**

21 **Sec. 3. Beginning on the date that this chapter applies to a**
22 **consolidated city, the consolidated city, the county having the**
23 **consolidated city, and each political subdivision within that county**
24 **become a reorganizing political subdivision under this chapter.**

25 **Sec. 4. (a) Not later than thirty (30) days after this chapter**
26 **applies, the members of a reorganization committee shall be**
27 **appointed as follows:**

28 (1) The executive of the consolidated city shall appoint three
29 (3) members, not more than two (2) of whom may be members
30 of the same political party.

31 (2) The city-county council shall appoint two (2) members,
32 who may not be members of the same political party.

33 (3) The executives of each excluded city shall jointly appoint
34 one (1) member.

35 (4) The governing bodies of each school corporation shall
36 jointly appoint one (1) member.

37 (5) The executives of each township in the county shall jointly
38 appoint one (1) member.

39 (6) The county treasurer, the county auditor, and the county
40 assessor shall jointly appoint (1) member.

41 (b) The members of the reorganization committee serve at the
42 pleasure of the appointing authority. The reorganization

C
O
P
Y



1 committee shall select a chair and any other officers that the
2 reorganization committee determines necessary from the members
3 of the reorganization committee.

4 (c) The members of the reorganization committee serve without
5 compensation. The members, however, are entitled to
6 reimbursement from the reorganizing political subdivisions for the
7 necessary expenses incurred in the performance of the members'
8 duties.

9 (d) The reorganizing political subdivisions shall provide
10 necessary office space, supplies, and staff to the reorganization
11 committee. The reorganizing political subdivisions may employ
12 attorneys, accountants, consultants, and other professionals for the
13 reorganization committee.

14 (e) Except as otherwise provided in an agreement adopted by
15 the reorganizing political subdivisions, claims for expenditures for
16 the reorganization committee shall be made to the fiscal officer of
17 the consolidated city and county. The fiscal officer shall pay the
18 necessary expenditures and obtain reimbursement from the
19 reorganizing political subdivisions in accordance with an
20 agreement adopted by the reorganizing political subdivisions. If the
21 reorganizing political subdivisions are unable to agree on the
22 allocation of expenses of the reorganizing committee, expenses
23 shall be paid as follows:

24 (1) Six-ninths (6/9) of the expenses shall be paid by the
25 consolidated city.

26 (2) One-ninth (1/9) of the expenses shall be paid by the
27 excluded cities within the county. Each excluded city shall pay
28 an equal proportion of the expenses allocated to the excluded
29 cities under this subdivision.

30 (3) One-ninth (1/9) of the expenses shall be paid by the school
31 corporations within the county. Each school corporation shall
32 pay an equal proportion of the expenses allocated to the
33 school corporations under this subdivision.

34 (4) One-ninth (1/9) of the expenses shall be paid by the
35 townships within the county. Each township shall pay an
36 equal proportion of the expenses allocated to the townships
37 under this subdivision.

38 **Sec. 5. The reorganization committee may do the following:**

39 (1) Adopt procedures governing the internal management of
40 the reorganization committee.

41 (2) Conduct public hearings on the plan of reorganization as
42 the reorganization committee determines necessary or

C
O
P
Y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

- appropriate.
- (3) Review the books and records of any reorganizing political subdivision.
- (4) Administer oaths.
- (5) Issue and enforce subpoenas and discovery orders under IC 4-21.5.

Sec. 6. (a) The reorganization committee shall prepare a comprehensive plan of reorganization for restructuring the government of the county and the political subdivisions within the county.

(b) If the plan of reorganization is adopted as provided in this chapter, the plan governs the actions, duties, and powers of the county and the reorganized political subdivisions within the county, beginning on the effective date of deconsolidation.

(c) The plan of reorganization must include at least the following:

- (1) The name and a description of each reorganized political subdivision and the reorganizing political subdivisions that the reorganized political subdivision will succeed.
- (2) A description of the boundaries of each reorganized political subdivision.
- (3) Subject to IC 36-1.5-4-40, a description of the taxing areas in which taxes to retire obligations of the reorganizing political subdivisions will be imposed.
- (4) The following information for each reorganized political subdivision:
 - (A) A description of the membership of the legislative body, the fiscal body, and the executive of the reorganized political subdivision.
 - (B) A description of the election districts or appointment districts from which officers will be elected or appointed.
 - (C) The manner in which the membership of each elected or appointed office will be elected or appointed.
- (5) A description of the services to be offered by each reorganized political subdivision and the service areas in which services will be offered.
- (6) The disposition of the personnel, the agreements, the assets, and, subject to IC 36-1.5-4-40, the liabilities of the reorganizing political subdivisions, including the terms and conditions upon which the transfer of property and personnel will be achieved.
- (7) A statement of of:

C
o
p
y



1 (A) whether a fiscal impact analysis concerning the
 2 proposed reorganization has been prepared or has not
 3 been prepared by or on behalf of the reorganization
 4 committee; and

5 (B) whether a fiscal impact analysis concerning the
 6 proposed reorganization has been made available or has
 7 not been made available to the public by or on behalf of the
 8 reorganization committee.

9 (8) Tax levies, tax rates, and a budget for each of the
 10 reorganized political subdivisions.

11 (9) For any reorganized political subdivision that will have
 12 election districts for any of the reorganized political
 13 subdivision's elected offices, the election districts for those
 14 elected offices.

15 (10) Any other matter that the reorganization committee
 16 determines to be necessary or appropriate.

17 Sec. 7. (a) Upon completion of the plan of reorganization, a copy
 18 of the plan of reorganization shall be posted on the Internet web
 19 site maintained or authorized by the consolidated city and the
 20 consolidated city's county.

21 (b) The reorganization committee shall present the plan of
 22 reorganization to the legislative body of each of the reorganizing
 23 political subdivisions at the public hearing described in subsection
 24 (c).

25 (c) The legislative body of each of the reorganizing political
 26 subdivisions shall conduct a public hearing on the plan of
 27 reorganization not earlier than five (5) days after notice of the
 28 public hearing is published under IC 5-3-1.

29 Sec. 8. (a) At a public hearing on a plan of reorganization
 30 conducted under section 7 of this chapter, or in a public meeting
 31 held not more than thirty (30) days after the public hearing
 32 concludes, the legislative body of a reorganizing political
 33 subdivision shall do one (1) of the following:

34 (1) Adopt a resolution endorsing the plan of reorganization as
 35 presented to the legislative body.

36 (2) Adopt a resolution requesting that changes to the plan of
 37 reorganization be made as described in the resolution.

38 (b) The legislative body of a reorganizing political subdivision
 39 shall send a copy of the resolution adopted under subsection (a) to
 40 each of the following:

41 (1) The chair of the reorganization committee.

42 (2) The legislative body of every other reorganizing political

C
O
P
Y



1 subdivision in the county.

2 **Sec. 9. (a) Not sooner than the earlier of:**

3 (1) one (1) year after completion of the plan of reorganization;
4 and

5 (2) thirty (30) days after receiving the most recent of all the
6 resolutions of the legislative bodies of the reorganizing
7 political subdivisions under section 8 of this chapter;

8 the reorganization committee shall hold a hearing.

9 (b) At the hearing held under this section, the reorganization
10 committee shall do the following:

11 (1) Consider changes suggested to the plan of reorganization
12 received from the reorganizing political subdivisions.

13 (2) Hear public testimony on the plan of reorganization and
14 the suggested changes.

15 **Sec. 10. (a) Not sooner than thirty (30) days after the hearing**
16 **held under section 9 of this chapter, the reorganizing committee**
17 **shall hold a hearing to adopt any amendments to the plan of**
18 **reorganization and adopt a final plan of reorganization.**

19 (b) The affirmative vote of at least six (6) members of the
20 reorganization committee is necessary for adoption of the final
21 plan of reorganization.

22 **Sec. 11. The reorganizing committee shall file a certified copy of**
23 **the final plan of reorganization with each of the following:**

24 (1) The circuit court clerk of the county.

25 (2) The department of local government finance.

26 (3) The department of education.

27 **Sec. 12. (a) After the circuit court clerk of the county receives**
28 **the certified copy of the final plan of reorganization under section**
29 **11 of this chapter, the county election board shall place the**
30 **following public question on the ballot in accordance with**
31 **IC 3-10-9 at the next general election held in the county. The public**
32 **question must be in substantially the following form:**

33 "Shall the government of (insert name of the county) County
34 and all the political subdivisions within (insert name of the
35 county) County be reorganized as provided in the final plan
36 of reorganization adopted by the (insert name of the county)
37 County Reorganization Committee?"

38 (b) IC 3 applies to the election at which the public question is
39 submitted to the voters of the county under this section.

40 **Sec. 13. The circuit court clerk shall certify the results of the**
41 **vote on the public question submitted to the voters of the county as**
42 **provided in IC 3 to each of the following:**

C
O
P
Y



1 (1) The legislative body of each of the reorganizing political
2 subdivisions.

3 (2) The state board of accounts.

4 (3) The department of local government finance.

5 (4) The department of state revenue.

6 (5) The budget agency.

7 (6) The department of education.

8 Sec. 14. (a) This section applies if a majority of the voters who
9 vote on the public question submitted to the voters of the county
10 under section 12 of this chapter vote in favor of the public question.

11 (b) The reorganization of the county, the consolidated city, and
12 each of the political subdivisions in the county takes effect as
13 provided in the final plan of reorganization.

14 (c) The appointed or elected officers of each of the reorganized
15 political subdivisions shall be elected and take office as provided in
16 the final plan of reorganization.

17 (d) When a reorganization under this chapter is effective, all of
18 the following apply:

19 (1) All of the reorganizing political subdivisions, except the
20 reorganized political subdivisions, cease to exist.

21 (2) Unless the plan of reorganization provides for the
22 continuation of the term of office, the term of each of the
23 elected offices of each of the reorganizing political
24 subdivisions is terminated.

25 (3) If the plan of reorganization transfers the responsibilities
26 of any office to another office, the office from which the
27 responsibilities were transferred is abolished.

28 (4) The executives, legislative bodies, and fiscal bodies of the
29 reorganizing political subdivisions (other than any
30 reorganizing political subdivision that is treated under the
31 plan of reorganization as the successor reorganized political
32 subdivision) are abolished, and the responsibilities of the
33 executives, legislative bodies, and fiscal bodies are transferred
34 to the executive, legislative body, and fiscal body of the
35 reorganized political subdivision.

36 (5) The property and liabilities of the reorganizing political
37 subdivisions become the property and liabilities of the
38 reorganized political subdivision, subject to IC 36-1.5-4-40.

39 Sec. 15. The following apply if a majority of the voters who vote
40 on the public question submitted to the voters of the county under
41 section 12 of this chapter do not vote in favor of the public
42 question:

C
O
P
Y



- 1 (1) Beginning on the effective date of deconsolidation, the
 2 consolidated city becomes a second class city under
 3 IC 36-4-1-1. The boundaries of the second class city are the
 4 boundaries of the city that became the consolidated city on the
 5 date that city became a consolidated city.
- 6 (2) The executive and members of the legislative body of the
 7 city established as provided in subdivision (1) shall be elected
 8 at the first municipal election held after the public question is
 9 submitted to the voters under section 12 of this chapter. The
 10 executive and members of the legislative body elected at this
 11 municipal election take office on the effective date of
 12 deconsolidation.
- 13 (3) The city-county council (not later than one (1) year before
 14 the effective date of deconsolidation) may divide the territory
 15 of the second class city into districts required by IC 36-4-6-3.
 16 After the districts become effective, IC 36-4-6-3 applies to the
 17 election of the members of the city legislative body, and the
 18 city legislative body may establish city legislative body
 19 districts as provided in IC 36-4-6-3. Until the territory of the
 20 city is divided into districts as provided in IC 36-4-6-3, the
 21 following apply to election of the members of the city
 22 legislative body:
- 23 (A) The city legislative body consists of nine (9) members.
 24 (B) Each member of the city legislative body shall be
 25 elected at large by all the voters who reside within the
 26 territory of the second class city.
 27 (C) Each voter may vote for only one (1) candidate for
 28 election to the legislative body.
 29 (D) The nine (9) candidates who receive the greatest
 30 number of votes in the election are elected to the legislative
 31 body.
 32 (E) Except as provided in this section, IC 3 and IC 36-4-6
 33 apply to the election of the members of the legislative body.
- 34 (4) The county executive shall be elected at the first general
 35 election held after the effective date of deconsolidation as
 36 provided in IC 36-2-2 and take office the following January 1.
 37 The county treasurer, county auditor, and county assessor
 38 serve as the county executive until the county executive
 39 elected under this subdivision takes office.
- 40 (5) The county fiscal body shall be elected at the first general
 41 election held after the effective date of deconsolidation as
 42 provided in IC 36-2-3 and take office the following January 1.

C
O
P
Y

1 **The county treasurer, county auditor, and county assessor**
 2 **serve as the county fiscal body until the county fiscal body**
 3 **elected under this subdivision takes office. Before the effective**
 4 **date of deconsolidation, the city-county council may divide the**
 5 **county into four (4) contiguous single member districts that**
 6 **comply with IC 36-2-3-4(d) from which four (4) members of**
 7 **the county fiscal body shall be elected under this subdivision.**
 8 **Three (3) of the members of the county fiscal body shall be**
 9 **elected at large as provided in IC 36-2-3-4. After the county**
 10 **executive takes office under this subdivision, the county**
 11 **executive may divide the county into single member districts**
 12 **for the county fiscal body as provided in IC 36-2-3-4. Until the**
 13 **territory of the county is divided into districts as provided in**
 14 **IC 36-4-6-3, the following apply to election of the members of**
 15 **the county fiscal body:**

16 **(A) The county fiscal body consists of seven (7) members.**

17 **(B) Each member of the county fiscal body shall be elected**
 18 **at large by all the voters who reside within the county.**

19 **(C) Each voter may vote for only one (1) candidate for**
 20 **election to the fiscal body.**

21 **(D) The seven (7) candidates who receive the greatest**
 22 **number of votes in the election are elected to the fiscal**
 23 **body.**

24 **(E) Except as provided in this section, IC 3 and IC 36-2-3**
 25 **apply to the election of the members of the fiscal body.**

26 **(6) All county elected officers other than the county executive**
 27 **and the county fiscal body shall be elected in the manner and**
 28 **at the times that they would be elected had the**
 29 **deconsolidation not occurred.**

30 **(7) The county and each political subdivision within the**
 31 **county shall be governed by the law applicable to counties or**
 32 **the similar political subdivision.**

33 **Sec. 16. The following apply in the case of a reorganization**
 34 **under this chapter:**

35 **(1) IC 36-1.5-4-40.**

36 **(2) IC 36-1.5-4-41.**

37 **(3) IC 36-1.5-4-42.**

38 **SECTION 5. IC 36-4-1-1, AS AMENDED BY P.L.64-2004,**
 39 **SECTION 34, AND AS AMENDED BY P.L.81-2004, SECTION 46,**
 40 **IS CORRECTED AND AMENDED TO READ AS FOLLOWS**
 41 **[EFFECTIVE JANUARY 1, 2013]: Sec. 1. (a) Municipalities are**
 42 **classified according to their status and population as follows:**

C
O
P
Y



1	STATUS AND POPULATION	CLASS
2	Cities of 600,000 500,000 1,500,000	
3	or more	First class cities
4	Cities of 35,000 to 599,999 499,999	
5	1,499,999	Second class cities
6	Cities of less than 35,000	Third class cities
7	Other municipalities of any	
8	population	Towns
9	(b) Except as provided in subsection (c), a city that attains a	
10	population of thirty-five thousand (35,000) remains a second class city	
11	even though its population decreases to less than thirty-five thousand	
12	(35,000) at the next federal decennial census.	
13	(c) The legislative body of a city to which subsection (b) applies may,	
14	by ordinance, adopt third class city status.	
15	SECTION 6. [EFFECTIVE JULY 1, 2012] (a) The legislative	
16	services agency shall prepare, as directed by the legislative council,	
17	legislation for introduction in the 2013 regular session of the	
18	general assembly to organize and correct statutes affected by this	
19	act, if necessary.	
20	(b) This SECTION expires July 1, 2013.	

C
o
p
y

