Reprinted
January 27, 2012

SENATE BILL No. 174

DIGEST OF SB 174 (Updated January 26, 2012 3:13 pm - DI 87)

Citations Affected: IC 36-1.5; IC 36-4; IC 36-7.

Synopsis: Local government reorganization. Eliminates the requirement that a reorganization committee must be appointed to prepare the reorganization plan as part of a proposed local government reorganization. Provides that the legislative bodies of the reorganizing political subdivisions (rather than a reorganization committee) shall prepare the reorganization plan that must be adopted by the legislative bodies before the proposed reorganization is placed on the ballot. Repeals a provision: (1) requiring the consideration of a final reorganization plan; and (2) allowing voters to petition to have the final reorganization plan placed on the ballot; if a reorganization plan is not approved within one year after the reorganization plan is presented. Requires that a reorganization plan include a fiscal impact analysis. Specifies the required contents of the fiscal impact analysis. Provides that the fiscal impact analysis must specify any estimated effects on political subdivisions in the county that are not participating in the reorganization and on taxpayers located in those political subdivisions. Requires the fiscal impact analysis to be submitted to the department of local government finance (DLGF) at least six months before the election in which the public question will be on the ballot. Requires the DLGF to do the following within a reasonable time, but not later than 30 days before the public question: (1) Review the fiscal impact analysis. (2) Make any comments concerning the fiscal impact analysis

(Continued next page)

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

Lawson C, Head

January 4, 2012, read first time and referred to Committee on Local Government.
January 19, 2012, amended, reported favorably — Do Pass.
January 26, 2012, read second time, amended, ordered engrossed.

C o p y

that the DLGF considers appropriate. (3) Provide comments to the legislative body of the reorganizing political subdivisions and post the comments on the DLGF's Internet web site. Requires the reorganizing political subdivisions to pay the expenses incurred by the DLGF in carrying out the review and preparing the comments. Requires that a brief description of the reorganized political subdivision that will succeed the reorganizing political subdivisions must be placed on the ballot of the public question. Provides that for a public question voted on by voters after June 30, 2012, the county election board shall submit the language to the DLGF for review. Requires the DLGF to review the language of the public question to: (1) evaluate whether the description of the reorganized political subdivision is accurate and not biased; and (2) approve or make binding recommendations to the county election board regarding the ballot language. Requires the county election board to take final action to approve the ballot language. Provides that certification of a public question on a proposed local government reorganization must occur as required for other public questions under the election law. Provides that in the case of a proposed reorganization between a municipality and a township that is voted on by voters after December 31, 2012: (1) the voters residing within the municipality shall be included only in the tally of votes for the municipality and shall not be included in the tally of votes for the township; and (2) the voters who reside within the township but do not reside within the municipality shall be included only in the tally of votes for the township and shall not be included in the tally of votes for the municipality. For reorganizations voted on after December 31, 2012, requires (rather than allows) the use of an "approval threshold" in the case of a proposed local government reorganization involving a: (1) county and a municipality; or (2) a municipality and a township. (Under current law, "rejection thresholds" are optional and may be used only in a reorganization between a county and a municipality). Provides that for a reorganization that is voted on after December 31, 2012 between a county and a municipality to be approved, the number of voters voting to approve the reorganization must equal or exceed the approval thresholds set in the reorganization plan for: (1) the municipality; (2) for the area of the county outside the municipality; and (3) countywide. Provides that the approval threshold for the municipality and area of the county outside the municipality must be greater than 50% but not more than 55%. (Under current law the approval percentage for the countywide vote must be greater than 50%). Specifies that in order for a reorganization that is voted on after December 31, 2012 between a municipality and a township to be approved, the number of voters voting to approve the reorganization must equal or exceed the approval thresholds set in the reorganization plan for: (1) the municipality; (2) for the area of the township outside the municipality; and (3) for the combined area of the township and the municipality. Provides that the approval threshold for the municipality and the area of the township outside the municipality must be greater than 50% but not more than 55%. Provides that the approval percentage for the combined area of the municipality and the township must be greater than 50%. Provides that if a political subdivision is located in whole or in part within one or more other political subdivisions that reorganize and the first political subdivision does not participate in or does not approve the reorganization: (1) the reorganization does not affect the rights, powers, and duties of the first political subdivision; and (2) the reorganized political subdivision may not exercise within the first political subdivision any right, power, or duty unless that right, power, or duty was exercised within the first political subdivision before the reorganization by at least one of the reorganizing political subdivisions. Provides that a plan of reorganization may establish within a reorganized political subdivision territories or districts: (1) in which specified services provided by the

(Continued next page)

C o p y

reorganized political subdivision will be provided at different levels, quantities, or amounts; and (2) in which the fees, charges, or taxes imposed by the reorganized political subdivision will vary depending on the level, quantity, or amount of the services. Specifies that a reorganized political subdivision must continue to carry out the duties imposed by Indiana law on the reorganizing political subdivisions that combined to form the reorganized political subdivision. Specifies that a reorganized political subdivision created from two or more townships and at least one municipality that have reorganized: (1) may exercise park and recreation powers and establish a park and recreation board if the reorganized political subdivision's plan of reorganization authorizes the reorganized political subdivision to exercise those powers; and (2) may exercise planning and zoning power if the reorganized political subdivision's plan of reorganization authorizes the reorganized political subdivision to exercise those powers. Provides that such a reorganized political subdivision shall, by resolution or in the plan of reorganization, determine the number of members to be appointed to the reorganized political subdivision's park and recreation board, advisory plan commission, and board of zoning appeals. Provides that a political subdivision may not take certain actions within a reorganizing political subdivision after the date a plan of reorganization is finally adopted by all reorganizing political subdivisions unless one of the following occurs: (1) All reorganizing political subdivisions agree to allow the action by adopting identical resolutions. (2) The plan is rejected by voters in a referendum. (3) The plan is approved by voters and the earlier of the following occurs: (A) The plan is implemented. (B) One year elapses from the date the plan has been approved. Requires a town legislative body to adopt a resolution not later than 30 days after a petition is filed for a referendum on changing the town into a city. Provides that the date of the referendum must not be later than the earlier of the date of the next general election or the date of the next municipal election, at which a question may be placed on the ballot. Requires the first election of city officers to be held on the earlier of the date of the next general election or a municipal election following the date of the referendum. Provides that notwithstanding the statute setting out the classification of municipalities, for purposes of local government administration a municipality reorganized under the local government reorganization statutes may, subject to the approval of the department of local government finance: (1) be classified and described as set forth in the reorganization plan; and (2) maintain characteristics of any of the reorganizing political subdivisions.

C o p y

Reprinted
January 27, 2012

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

SENATE BILL No. 174

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:

SECTION 1. IC 36-1.5-2-6 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 6. "Reorganization committee" refers to a committee established under this article to assist reorganizing political subdivisions with developing a plan of reorganization.~~

SECTION 2. IC 36-1.5-4-5, AS AMENDED BY P.L.113-2010, SECTION 109, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) Except as provided in subsection (b), a reorganization approved under this chapter takes effect when all of the following have occurred:

(1) The later of:

(A) the date that a copy of a joint certification from the county election board in each county in which reorganizing political subdivisions are located that indicates that:

(i) the reorganization has been approved by the voters of each reorganizing political subdivision; or

(ii) in the case of a reorganization described in section **1(a)(7) or** 1(a)(9) of this chapter, the reorganization has been approved as set forth in section 32(b) **or 32(c)** of this chapter;

is recorded as required by section 31 of this chapter; or

(B) the date specified in the finally adopted plan of reorganization.

(2) The appointed or elected officers of the reorganized political subdivision are elected (as prescribed by section 36 of this chapter) or appointed and qualified, if:

(A) the reorganized political subdivision is a new political subdivision and reorganizing political subdivisions are not being consolidated into one (1) of the reorganizing political subdivisions;

(B) the reorganized political subdivision will have different boundaries than any of the reorganizing political subdivisions;

(C) the reorganized political subdivision will have different appointment or election districts than any of the reorganizing political subdivisions; or

(D) the finally adopted plan of reorganization requires new appointed or elected officers before the reorganization becomes effective.

(b) A reorganization approved under this chapter may not take effect during the year preceding a year in which a federal decennial census is conducted. A consolidation that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 1 of the year in which a federal decennial census is conducted.

(c) Notwithstanding subsection (b) as that subsection existed on December 31, 2009, a reorganization that took effect January 2, 2010, because of the application of subsection (b), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without the adoption of an amended reorganization plan.

SECTION 3. IC 36-1.5-4-10, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 10. (a) The legislative body of a political subdivision may initiate a proposed reorganization under this chapter by adopting a resolution that:

(1) proposes a reorganization; **and**

(2) names the political subdivisions that would be reorganized in the proposed reorganization. ~~and~~

~~(3) only in the case of a proposed reorganization described in~~

C o p y

~~section 1(a)(9) of this chapter, states whether the vote on the public question regarding the reorganization shall be:~~

~~(A) conducted on a countywide basis under section 30(b) of this chapter, without a rejection threshold; or~~

~~(B) conducted on a countywide basis under section 30(b) of this chapter, with a rejection threshold.~~

(b) The clerk of the political subdivision adopting the resolution shall certify the resolution to the clerk of each political subdivision named in the resolution.

SECTION 4. IC 36-1.5-4-12, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 12. (a) If a petition is certified to the legislative body of a political subdivision under section 11 of this chapter, the legislative body shall conduct a public hearing on the proposed reorganization not sooner than five (5) days after publishing a notice of the public hearing under IC 5-3-1. Not more than thirty (30) days after the conclusion of the public hearing the legislative body shall adopt a resolution, substantially in the form prescribed by the department of local government finance, to do any of the following:

(1) Decline to participate in the proposed reorganization.

(2) Propose a reorganization with the political subdivisions named in the petition.

(3) Propose a reorganization with political subdivisions that differ in part or in whole from the political subdivisions named in the petition.

~~(b) In the case of a resolution adopted under this section proposing a reorganization described in section 1(a)(9) of this chapter, the resolution must also state whether the vote on the public question regarding the reorganization shall be:~~

~~(1) conducted on a countywide basis under section 30(b) of this chapter, without a rejection threshold; or~~

~~(2) conducted on a countywide basis under section 30(b) of this chapter, with a rejection threshold.~~

~~(c)~~ **(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 5. IC 36-1.5-4-13, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 13. (a) The legislative body of a political subdivision that receives a certified resolution under section 10 or 12 of this chapter may do any of the following:

C o p y

(1) Adopt a resolution declining to participate in a proposed 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) In the case of a resolution adopted under this section proposing to participate in a proposed reorganization described in section 1(a)(9) of this chapter, the resolution must also state whether the vote on the public question regarding the reorganization shall be:~~

~~(1) conducted on a countywide basis under section 30(b) of this chapter, without a rejection threshold; or~~

~~(2) conducted on a countywide basis under section 30(b) of this chapter, with a rejection threshold.~~

~~(c)~~ **(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 6. IC 36-1.5-4-15 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 15. Not later than thirty (30) days after the clerk of the last political subdivision to adopt a reorganization resolution under this chapter has certified the substantially identical resolution to all of the political subdivisions named in the resolution, the reorganizing political subdivisions shall appoint the number of individuals specified in section 16 of this chapter to serve on a reorganization committee to develop a plan of reorganization for the reorganizing political subdivisions.~~

SECTION 7. IC 36-1.5-4-16 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 16. (a) Members shall be appointed to a reorganization committee as follows:~~

~~(1) In accordance with an agreement adopted by the reorganizing political subdivisions. An agreement under this subdivision must provide that not more than a simple majority of the members appointed by each political subdivision may be members of the same political party.~~

~~(2) If an agreement does not provide for the membership of a reorganization committee under this chapter, three (3) members shall be appointed by the executive of each political subdivision~~

Copy

~~participating in the reorganization. Not more than two (2) of the members appointed by an executive of a political subdivision may be members of the same political party.~~

~~(b) The members of a reorganization committee serve at the pleasure of the appointing authority. The reorganization committee shall select a chairperson and any other officers that the reorganization committee determines necessary from the members of the reorganization committee.~~

~~(c) The members of a reorganization committee serve without compensation. The members, however, are entitled to reimbursement from the reorganizing political subdivisions for the necessary expenses incurred in the performance of their duties.~~

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

~~(e) Except as otherwise provided in an agreement adopted by the reorganizing political subdivisions, claims for expenditures for the reorganization committee shall be made to the fiscal officer for the reorganizing political subdivision with the largest population. The fiscal officer shall pay the necessary expenditures and obtain reimbursement from the reorganizing political subdivisions:~~

~~(1) in accordance with an agreement adopted by the reorganizing political subdivisions; or~~

~~(2) in the absence of an agreement, in proportion to the population of each reorganizing political subdivision.~~

SECTION 8. IC 36-1.5-4-17 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 17. A reorganization committee may do the following:~~

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

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

SECTION 9. IC 36-1.5-4-18, AS AMENDED BY P.L.113-2010, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 18. (a) A reorganization committee **(before January 1, 2013) or the legislative bodies of the**

C o p y

reorganizing political subdivisions (after December 31, 2012) shall prepare a comprehensive plan of reorganization for the reorganizing political subdivisions. The plan of reorganization governs the actions, duties, and powers of the reorganized political subdivision that are not specified by law.

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

(1) The name and a description of the reorganized political subdivision that will succeed the reorganizing political subdivisions.

(2) A description of the boundaries of the reorganized political subdivision.

(3) Subject to section 40 of this chapter, a description of the taxing areas in which taxes to retire obligations of the reorganizing political subdivisions will be imposed.

(4) A description of the membership of the legislative body, fiscal body, and executive of the reorganized political subdivision, a description of the election districts or appointment districts from which officers will be elected or appointed, and 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 the reorganized political subdivision and the service areas in which the services will be offered.

(6) The disposition of the personnel, the agreements, the assets, and, subject to section 40 of this chapter, the liabilities of the reorganizing political subdivisions, including the terms and conditions upon which the transfer of property and personnel will be achieved.

(7) Any other matter that the:

(A) reorganization committee **(before January 1, 2013)** determines **or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012) determine** to be necessary or appropriate; or

(B) legislative bodies of the reorganizing political subdivisions require the reorganization committee **(before January 1, 2013);**

to include in the plan of reorganization.

(8) This subdivision applies only to a reorganization described in section 1(a)(7) of this chapter that is voted on by voters after December 31, 2012, regardless of when the plan of reorganization is adopted. The reorganization committee shall include in the reorganization plan an approval threshold,

C o p y

specified as a percentage, that applies for purposes of section 32(b) of this chapter. The approval threshold must be the same for each municipality that is a party to the proposed reorganization and to each township that is a party to the proposed reorganization. The approval threshold must be greater than fifty percent (50%), but not more than fifty-five percent (55%).

(9) This subdivision applies only to a reorganization described in section 1(a)(7) of this chapter that is voted on by voters after December 31, 2012, regardless of when the plan of reorganization is adopted. The reorganization committee shall determine and include in the reorganization plan the percentage of voters in both the municipality and the township voting on the public question regarding the proposed reorganization who must vote in favor of the proposed reorganization for the public question to be approved. This percentage is referred to in this chapter as the "municipality-township vote approval percentage". The municipality-township vote approval percentage must be greater than fifty percent (50%).

~~(8)~~ **(10)** In the case of a reorganization described in section 1(a)(9) of this chapter, ~~if the legislative bodies of the reorganizing political subdivisions have specified that the vote on the public question regarding the reorganization shall be conducted on a countywide basis under section 30(b) of this chapter with a rejection threshold,~~ the reorganization committee **(before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)** shall include in the reorganization plan a ~~rejection~~ **approval** threshold, specified as a percentage, that applies for purposes of section ~~32(b)~~ **32(c)** of this chapter. The ~~rejection~~ **approval** threshold must be the same for each municipality that is a party to the proposed reorganization and to the county that is a party to the proposed reorganization. **The approval threshold must be greater than fifty percent (50%), but not more than fifty-five percent (55%).**

~~(9)~~ **(11)** In the case of a reorganization described in section 1(a)(9) of this chapter, the reorganization committee **(before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)** shall determine and include in the reorganization plan the percentage of voters voting on the public question regarding the proposed

C o p y

reorganization who must vote, on a countywide basis, in favor of the proposed reorganization for the public question to be approved. This percentage is referred to in this chapter as the "countywide vote approval percentage". The countywide vote approval percentage must be greater than fifty percent (50%).

~~(10)~~ **(12)** The ~~statement~~ **fiscal impact analysis** required by subsection ~~(c).~~ **(f).**

~~(c) In the case of a reorganization described in section 1(a)(9) of this chapter, the reorganization committee may not change the decision of the legislative bodies of the reorganizing political subdivisions regarding whether the vote on the public question regarding the reorganization shall be conducted on a countywide basis without a rejection threshold or with a rejection threshold.~~ **This subsection expires January 1, 2013.**

~~(d)~~ **(c)** Upon completion of the plan of reorganization, the reorganization committee shall present the plan of reorganization to the legislative body of each of the reorganizing political subdivisions for adoption. The initial plan of reorganization must be submitted to the legislative body of each of the reorganizing political subdivisions not later than one (1) year after the clerk of the last political subdivision that adopts a reorganization resolution under this chapter has certified the resolution to all of the political subdivisions named in the resolution. **This subsection expires January 1, 2013.**

(e) In the case of a plan of reorganization submitted to a political subdivision by a reorganization committee after June 30, 2010, **and before January 1, 2013, or prepared by the legislative bodies of the reorganizing political subdivisions after December 31, 2012,** the political subdivision shall post a copy of the plan of reorganization on an Internet web site maintained or authorized by the political subdivision not more than thirty (30) days after receiving the plan of reorganization from the reorganization committee **(before January 1, 2013) or (after December 31, 2012) not more than thirty (30) days after the plan of reorganization is prepared by the legislative bodies of the reorganizing political subdivisions. If the plan of reorganization is amended, the political subdivision shall post the amended plan on the Internet web site maintained or authorized by the political subdivision within seven (7) days after the amended plan is adopted.**

~~(e)~~ **(f)** A reorganization committee must include in the plan of reorganization submitted to a political subdivision after ~~June 30, 2010,~~ **December 31, 2012, and before January 1, 2013,** a ~~statement of:~~ **fiscal impact analysis of the proposed reorganization. The**

C o p y

legislative bodies of the reorganizing political subdivisions preparing a reorganization plan after December 31, 2012, must include in the plan of reorganization a fiscal impact analysis of the proposed reorganization. The fiscal impact analysis must include at least the following:

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

~~(2) whether a fiscal impact analysis concerning the proposed reorganization has been made available or has not been made available to the public by or on behalf of the reorganization committee.~~

(1) The estimated effect of the proposed reorganization on taxpayers in each of the political subdivisions to which the proposed reorganization applies, including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service payments in those political subdivisions.

(2) A description of the planned services to be provided in the reorganized political subdivision and the method or methods of financing the planned services. The fiscal impact analysis must:

(A) present itemized estimated costs for each department or agency of the reorganized political subdivision; and

(B) explain how specific and detailed expenses will be funded from taxes, fees, grants, and other funding.

(3) A description of the capital improvements to be provided in the reorganized political subdivision and the method or methods of financing those capital improvements.

(4) Any estimated effects on political subdivisions in the county that are not participating in the reorganization and on taxpayers located in those political subdivisions.

(g) A reorganization committee (before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012) must submit the fiscal impact analysis described in subsection (f) to the department of local government finance at least six (6) months before the election in which the public question will be on the ballot. A legislative body of a reorganizing political subdivision may not adopt a plan of reorganization unless the reorganization committee (before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012) has submitted the fiscal impact analysis to the department of local government

C o p y

finance as required by this subsection. The department of local government finance must do the following within a reasonable time, but not later than thirty (30) days before the date of the election in which the public question will be on the ballot:

(1) Review the fiscal impact analysis.

(2) Make any comments concerning the fiscal impact analysis that the department considers appropriate.

(3) Provide the department's comments under subdivision (2) to the legislative body of the reorganizing political subdivisions.

(4) Post the department's comments under subdivision (2) on the department's Internet web site.

The department of local government finance shall certify to the reorganization committee (before January 1, 2013) or to the legislative bodies of the reorganizing political subdivisions (after December 31, 2012) the total amount of expense incurred by the department in carrying out the department's review and preparing the department's comments. Upon receipt of the department's certification of the expenses, the reorganizing political subdivisions shall immediately pay to the treasurer of state the amount charged. The share of the cost to be paid by each reorganizing political subdivision shall be determined by the reorganization committee (before January 1, 2013) or by the legislative bodies of the reorganizing political subdivisions (after December 31, 2012). Money paid by a reorganizing political subdivision under this subsection shall be deposited in the state general fund.

SECTION 10. IC 36-1.5-4-19, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 19. The legislative body of each of the reorganizing political subdivisions shall provide for the following:

(1) Consideration of a plan of reorganization ~~presented by a reorganization committee~~ in the form of a resolution incorporating the plan of reorganization in full or by reference.

(2) Reading of the resolution incorporating the plan of reorganization in at least two (2) separate meetings of the legislative body of the political subdivision.

(3) Conducting a public hearing on the plan of reorganization:

(A) not sooner than five (5) days after notice of the public hearing is published under IC 5-3-1; and

(B) before the legislative body takes final action on the resolution to adopt the plan of reorganization.

SECTION 11. IC 36-1.5-4-20, AS ADDED BY P.L.186-2006,

C o p y

SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 20. At a public hearing on a plan of reorganization conducted under section 19 of this chapter, or in a public meeting held not more than thirty (30) days after the public hearing concludes, a legislative body of a reorganizing political subdivision shall do one (1) of the following:

(1) Adopt the plan of reorganization. ~~as presented to the legislative body.~~

(2) Adopt the plan of reorganization with modifications.

(3) Reject the plan of reorganization. ~~and order a reorganization committee to submit a new plan of reorganization within thirty (30) days after the legislative body rejects the plan of reorganization.~~

SECTION 12. IC 36-1.5-4-22, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 22. The legislative body of each reorganizing political subdivision shall take any of the actions described in section 20 of this chapter on a revised plan of reorganization ~~submitted by a reorganization committee~~ and each resolution modifying a plan of reorganization or revised plan of reorganization in the same manner as the legislative body may take action on the initially submitted plan of reorganization.

SECTION 13. IC 36-1.5-4-23, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 23. The legislative body of a reorganizing political subdivision 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 the following:

~~(1) The chair of the reorganization committee.~~

~~(2)~~ **(1)** The clerk of each reorganizing political subdivision.

~~(3)~~ **(2)** The county fiscal officer of each county in which a reorganizing political subdivision is located.

~~(4)~~ **(3)** The county recorder of each county in which a reorganizing political subdivision is located.

SECTION 14. IC 36-1.5-4-23.5, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23.5. ~~The following apply~~ If the legislative bodies of all political subdivisions that have been presented with ~~a~~ **an initial** plan of reorganization under section ~~18(d)~~ **18(c)** of this chapter have not adopted a **final** plan of reorganization ~~either as presented by the reorganization committee or as modified by all of the political~~

C o p y

~~subdivisions,~~ within one (1) year after the initial plan of reorganization is presented,

~~(1) Not later than one (1) month after the end of the one (1) year period in which the legislative bodies must adopt a plan of reorganization, the reorganization committee shall submit a final plan of reorganization to the legislative bodies of the political subdivisions.~~

~~(2) Not later than one (1) month after receiving the final plan of reorganization under subdivision (1), each of the legislative bodies must:~~

~~(A) hold a hearing on the final plan of reorganization; and~~

~~(B) adopt either a resolution approving the final plan of reorganization or a resolution rejecting the final plan of reorganization.~~

~~If a legislative body does not adopt a resolution under this subdivision within the one (1) month period, the failure to adopt a resolution is considered to be an approval of the final plan of reorganization.~~

~~(3) If a legislative body adopts a resolution approving the final plan of reorganization, the legislative body shall certify its approval under section 23 of this chapter.~~

~~(4) If any of the legislative bodies adopts a resolution rejecting the final plan of reorganization,~~ the registered voters of a political subdivision in which the ~~final~~ **initial** plan of reorganization was ~~rejected by~~ **presented to** a legislative body ~~under subdivision (2)~~ **but not adopted** may submit a petition to the clerk of the circuit court approving ~~the~~ **a** final plan of reorganization and requesting that a public question be held on the final plan of reorganization. The petition must be submitted not later than one hundred eighty (180) days after **the date that is one (1) year after** the **initial plan of reorganization was presented to the** legislative body. ~~voted to reject the final plan of reorganization.~~ If the petition is signed by at least ten percent (10%) of the voters of the political subdivision, as determined by the vote cast in the political subdivision for secretary of state at the most recent general election:

(A) the political subdivision is considered to have approved the holding of the public question on the final plan of reorganization, notwithstanding the vote by the legislative body rejecting the final plan of reorganization; and

(B) the clerk of the circuit court shall certify approval of the final plan of the reorganization and the holding of the public

C o p y

question in the manner specified in section 23 of this chapter.

SECTION 15. IC 36-1.5-4-28, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 28. **(a) For a public question voted on by voters after June 30, 2012,** a public question under this chapter shall be placed on the ballot in all of the precincts that are located in the reorganizing political subdivisions in substantially the following form:

(Insert a brief description of the structure of the proposed reorganized political subdivision that will succeed the reorganizing political subdivisions.)

"Shall _____ (insert name of political subdivision) and _____ (insert name of political subdivision) reorganize as a single political subdivision?".

(b) The public question must appear on the ballot in the form approved by the county election board. A brief description of the reorganized political subdivision that will succeed the reorganizing political subdivisions, and the public question described in subsection (a), shall be placed on the ballot in the form prescribed by IC 3-10-9-4. For a public question voted on by voters after June 30, 2012, the county election board shall submit the language to the department of local government finance for review.

(c) The department of local government finance shall review the language of the public question to evaluate whether the description of the reorganized political subdivision that will succeed the reorganizing political subdivisions is accurate and is not biased against either a vote in favor of the reorganization or a vote against the reorganization. The department of local government finance may:

(1) approve the ballot language as submitted; or

(2) modify the ballot language as necessary to ensure that the description of the reorganized political subdivision that will succeed the reorganizing political subdivisions is accurate and is not biased.

The department of local government finance shall certify its approval or recommendations to the county election board not more than ten (10) days after the language of the public question is submitted to the department for review. If the department of local government finance recommends a modification to the ballot language, the county election board shall, after reviewing the recommendations of the department of local government finance, submit modified ballot language to the department for the department's approval or recommendation of any additional

C o p y

modifications. The public question may not be certified under IC 3-10-9-3 unless the department of local government finance has first certified the department's final approval of the ballot language for the public question.

SECTION 16. IC 36-1.5-4-30, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 30. (a) Except as provided in ~~subsection~~ **subsections** (b) **and (c),** at the same time that election results are certified under IC 3, the circuit court clerk of each of the counties in which a public question under this chapter is on the ballot shall jointly issue, in the form prescribed by the state election board, a certificate declaring whether the public question is approved or rejected by a majority of the voters voting on the public question in each of the reorganizing political subdivisions. In addition to any other requirements in IC 3 concerning filing of the certification, the certification shall be sent to each of the following:

(1) The clerk of each of the reorganizing political subdivisions.

(2) The county auditor of each county in which a reorganizing political subdivision is located.

(3) The county recorder of each county in which a reorganizing political subdivision is located.

(4) The state board of accounts.

(5) The department of local government finance.

(6) The department of state revenue.

(7) The budget agency.

(8) If any of the reorganizing political subdivisions is a school corporation, the department of education.

(b) In the case of a public question on a reorganization described in section 1(a)(7) of this chapter that is voted on by voters after December 31, 2012:

(1) the public question on a plan of reorganization shall be placed on the ballot for consideration by the voters of the reorganizing municipality and township;

(2) the vote on the public question by the voters of a reorganizing municipality and township shall be tabulated by determining the sum of the votes of voters who reside in:

(A) each reorganizing municipality and not the reorganizing township;

(B) the reorganizing township and not the reorganizing municipality; and

(C) both the reorganizing municipality and the reorganizing township;

C o p y

(3) the vote on the public question by the voters of:
(A) each reorganizing municipality; and
(B) each reorganizing township (excluding the voters of the reorganizing municipalities);
shall be tabulated separately; and
(4) the circuit court clerk shall issue, in a form prescribed by the state election board, separate certificates regarding whether the public question is approved or rejected by the voters of:
(A) each reorganizing municipality and township as set forth in subdivision (2);
(B) each reorganizing municipality; and
(C) each reorganizing township, excluding the voters of the reorganizing municipalities;
voting on the public question.

~~(b)~~ **(c)** In the case of a public question on a reorganization described in section 1(a)(9) of this chapter:

(1) the public question on a plan of reorganization shall be placed on the ballot for consideration by the voters of the entire county;
(2) the vote on the public question by the voters of the entire county shall be tabulated;
(3) ~~if the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold,~~ the vote on the public question by the voters of:
(A) each reorganizing municipality; and
(B) the county (excluding the voters of the reorganizing municipalities);
shall be tabulated separately; and
(4) the circuit court clerk shall issue, in a form prescribed by the state election board, separate certificates regarding whether the public question is approved or rejected by the voters of:
(A) the entire county;
(B) each reorganizing municipality; ~~(if the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold);~~ and
(C) the county, excluding the voters of the reorganizing municipalities; ~~(if the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold);~~
voting on the public question.

C o p y

SECTION 17. IC 36-1.5-4-32, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 32. (a) This subsection does not apply to a reorganization described in section **1(a)(7) or** 1(a)(9) of this chapter. A reorganization as specified in the plan of reorganization is approved if a majority of the voters in each reorganizing political subdivision voting on the public question approve the public question on the reorganization. **If a reorganizing political subdivision includes the territory of another reorganizing political subdivision,** the vote of voters of a reorganizing political subdivision ~~(for example, a city)~~ who also are voters in a second reorganizing political subdivision ~~(for example, a township)~~ that is geographically larger than the first political subdivision and that includes the territory of the first political subdivision shall be included only in the tally of votes for the first reorganizing political subdivision in which the voters reside.

(b) This subsection applies only to a reorganization described in section 1(a)(7) of this chapter. This subsection applies only to a reorganization voted on by voters after December 31, 2012. In the case of a proposed reorganization between a municipality and a township, the reorganization is approved only if:

(1) the percentage of all voters voting on the public question who:

(A) reside in:

(i) the reorganizing municipality and not the reorganizing township;

(ii) the reorganizing township and not the reorganizing municipality; and

(iii) both the reorganizing municipality and the reorganizing township; and

(B) vote in favor of the proposed reorganization;

is greater than fifty percent (50%);

(2) the percentage of voters of the reorganizing municipality voting on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan, which must be greater than fifty percent (50%) but not more than fifty-five percent (55%); and

(3) the percentage of voters who reside within the reorganizing township but do not reside within the reorganizing municipality and who vote on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan, which must be greater than fifty percent (50%) but not more

C o p y

than fifty-five percent (55%).

If the reorganization is not approved, the reorganization is terminated. In tabulating the votes under subdivisions (2) and (3), the vote of voters of a reorganizing municipality who are also voters in the reorganizing township shall be included only in the tally of votes for the municipality in which the voters reside.

~~(b)~~ **(c)** ~~This subsection applies~~ **The following apply** only to a reorganization described in section 1(a)(9) of this chapter.

(1) In the case of a public question voted on by voters before January 1, 2013, the reorganization is approved only if:

~~(1)~~ **(A)** the percentage of voters voting on the public question who vote, on a countywide basis, in favor of the proposed reorganization is at least equal to the countywide vote approval percentage specified in the final reorganization plan;

~~(2)~~ **(B)** ~~if~~ the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold, **and** the percentage of voters of the county (excluding the voters of the reorganizing municipalities) voting on the public question who vote against the reorganization is less than the rejection threshold included in the final reorganization plan; and

~~(3)~~ **(C)** ~~if~~ the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold, **and** the percentage of voters of each reorganizing municipality voting on the public question who vote against the reorganization is less than the rejection threshold included in the final reorganization plan.

(2) In the case of a public question voted on by voters after December 31, 2012, the reorganization is approved only if all of the following requirements are met:

(A) More than fifty percent (50%) of the voters in the county voting on the public question vote (on a countywide basis) in favor of the proposed reorganization.

(B) The percentage of voters of the reorganizing county (excluding the voters of the reorganizing municipalities) voting on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan. The approval threshold must be greater than fifty percent (50%) but not more than fifty-five percent (55%).

(C) The percentage of voters of each reorganizing

C o p y

municipality voting on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan. The approval threshold must be greater than fifty percent (50%) but not more than fifty-five percent (55%).

If the reorganization is not approved, the reorganization is terminated. ~~If the legislative bodies of the reorganizing political subdivisions have agreed that the vote in the public question shall be conducted with a rejection threshold, then~~ In tabulating the votes under ~~subdivisions (2) and (3),~~ **subsection (c)(1)(B), (c)(1)(C), (c)(2)(B), and (c)(2)(C),** the vote of voters of a reorganizing municipality who also are voters in the county shall be included only in the tally of votes for the municipality in which the voters reside.

SECTION 18. IC 36-1.5-4-34, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 34. (a) This section applies if:

(1) in the case of a reorganization that is not described in section **1(a)(7) or** 1(a)(9) of this chapter, the majority of the voters of each of the reorganizing political subdivisions voting on the public question approve the public question concerning the reorganization; or

(2) in the case of a reorganization described in section **1(a)(7) or** 1(a)(9) of this chapter, the reorganization is approved as set forth in section 32(b) **or 32(c)** of this chapter.

(b) The political subdivisions are reorganized in the form and under the conditions specified by the legislative bodies of the reorganizing political subdivisions in the plan of reorganization filed with the county recorder under this chapter.

SECTION 19. IC 36-1.5-4-33, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 33. Except in the case of a reorganization described in section 1(a)(9) of this chapter, if a reorganization is not approved by the majority of the voters in each reorganizing political subdivision voting on the public question, the reorganization is terminated. A political subdivision in which voters of the political subdivision approved the reorganization may continue with a reorganization with another political subdivision in which the reorganization was approved only if a new plan of reorganization is approved by the voters of each political subdivision in the manner provided by this chapter. ~~The reorganization committee shall adopt a plan to specify how matters related to the termination of the reorganization shall be handled.~~

C o p y

SECTION 20. IC 36-1.5-4-38, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 38. **(a)** A reorganized political subdivision has the powers granted by statute to a political subdivision of the same type as the reorganized political subdivision. However, if authorized by the plan of reorganization approved by the voters in a public question under this chapter, the reorganized political subdivision will exercise a power or have the officers or number of offices that a statute would have permitted any of the reorganizing political subdivisions to have.

(b) This subsection applies to reorganizations approved by voters after July 1, 2012. Notwithstanding subsection (a), if:

(1) a first political subdivision is located in whole or in part within one (1) or more other political subdivisions that reorganize under this article; and

(2) the first political subdivision does not participate in or does not approve the reorganization;

the reorganization does not affect the rights, powers, and duties of the first political subdivision, and the reorganized political subdivision may not exercise within the first political subdivision any right, power, or duty unless that right, power, or duty was exercised within the first political subdivision before the reorganization by at least one (1) of the reorganizing political subdivisions.

SECTION 21. IC 36-1.5-4-39, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 39. **(a)** If a law does not permit the reorganized political subdivision to exercise generally throughout the territory of the reorganized political subdivision a power that any of the reorganizing political subdivisions had before the reorganization, the reorganized political subdivision may exercise the power outside the original territory of the reorganizing political subdivision only by following the laws applicable to the expansion of the service area of the reorganizing political subdivision.

(b) Subject to subsection (a), a reorganized political subdivision that results from a reorganization under this chapter must continue to carry out the duties imposed by Indiana law on the reorganizing political subdivisions that combined to form the reorganized political subdivision.

SECTION 22. IC 36-1.5-4-39.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 39.5. A plan of reorganization may establish within a reorganized political subdivision territories**

C o p y

or districts:

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

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

SECTION 23. IC 36-1.5-4-44 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 44. (a) A reorganized political subdivision consisting of:**

(1) two (2) or more townships; and

(2) at least one (1) municipality;

that has reorganized under this article may exercise park and recreation powers under IC 36-10 if the reorganized political subdivision's plan of reorganization authorizes the reorganized political subdivision to exercise those powers.

(b) If a reorganized political subdivision's plan of reorganization authorizes the reorganized political subdivision to exercise park and recreation powers under IC 36-10, the reorganized political subdivision may establish a park and recreation board.

(c) A park and recreation board established by a reorganized political subdivision under this section:

(1) shall exercise park and recreation functions within the reorganized political subdivision; and

(2) has the powers and duties of both a municipal park and recreation board and a township park and recreation board under IC 36-10.

(d) A reorganized political subdivision may by resolution or in the reorganized political subdivision's plan of reorganization determine:

(1) the number of members to be appointed to the reorganized political subdivision's park and recreation board;

(2) the person or entity that shall appoint or remove those members;

(3) any required qualifications for those members; and

(4) the terms of those members.

SECTION 24. IC 36-1.5-4-45 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 45. (a) Except as provided in subsections (c) through (e), a political subdivision may not take an action described in subsection (b) within a reorganizing political**

C o p y

subdivision after the date a plan of reorganization is finally adopted by all reorganizing political subdivisions.

(b) A political subdivision may not take any of the following actions partially or wholly within a reorganizing political subdivision after the date a plan of reorganization is finally adopted by all reorganizing political subdivisions unless all reorganizing political subdivisions agree by adopting identical resolutions:

(1) Initiate an annexation of territory within the township.

(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:

(1) a political subdivision subject to the reorganization from taking an action under subsection (b) within the political subdivision's own boundaries; and

(2) any of the reorganizing political subdivisions 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 the date the reorganization is rejected by the voters under section 33 of this chapter.

(e) If a reorganization is approved by the voters under section 34 of this chapter, a political subdivision may not take an action under subsection (b) until the earlier of the following:

(1) The plan of reorganization has been implemented.

(2) One (1) year after the date the reorganization is approved under section 34 of this chapter.

SECTION 25. IC 36-4-1-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 1.5. Notwithstanding section 1 of this chapter, for purposes of local government administration under this title, a municipality reorganized under IC 36-1.5 may, subject to the approval of the department of local government finance:**

(1) be classified and described as set forth in the reorganization plan adopted under IC 36-1.5-4; and

(2) maintain characteristics of any of the reorganizing political subdivisions.

SECTION 26. IC 36-4-1.5-2, AS ADDED BY P.L.111-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C o p y

JULY 1, 2012]: Sec. 2. A town may be changed into a city through the following:

(1) The town legislative body must adopt a resolution submitting to the town's voters the question of whether the town should be changed into a city. The town legislative body shall adopt a resolution described in this subdivision if at least the number of registered voters of the town equal to ten percent (10%) of the total votes cast in the town at the last election for secretary of state sign a petition requesting the town legislative body to adopt such a resolution. In determining the number of signatures required under this subdivision, any fraction that exceeds a whole number shall be disregarded.

(2) **The town legislative body must adopt the resolution under subdivision (1) not later than thirty (30) days after the date a petition having a sufficient number of signatures is filed.** A resolution adopted under subdivision (1) must fix the date for an election on the question of whether the town should be changed into a city **as follows:**

(A) If the election is to be on the same date as a general election or municipal election:

(i) the resolution must state that fact and be certified in accordance with IC 3-10-9-3; and

(ii) the election must be held on the date of the next general election or municipal election, whichever is earlier, at which the question can be placed on the ballot under IC 3-10-9-3.

(B) If the election is to be a special election, the date must be:

~~(A)~~ **(i)** not less than thirty (30) and ~~(B)~~ not more than sixty (60) days after the notice of the election; **and**

(ii) not later than the next general election or municipal election, whichever is earlier, at which the question can be placed on the ballot under IC 3-10-9-3.

~~If the election is to be on the same date as a general election the resolution must state that fact and be certified in accordance with IC 3-10-9-3.~~

(3) The town legislative body shall file a copy of the resolution adopted under subdivision (1) with the circuit court clerk of each county in which the town is located. The circuit court clerk shall immediately certify the resolution to the county election board.

(4) The county election board shall give notice of the election in the manner prescribed by IC 3-8-2-19. IC 3-10-6 applies to the election.

C o p y

(5) The question described in subdivision (1) shall be placed on the ballot in the form prescribed by IC 3-10-9-4. The text of the question shall be: "Shall the town of _____ change into a city?".

(6) If a majority of the voters voting on the question described in subdivision (1) vote "yes", the town is changed into a city as provided in this chapter. If a majority of the voters voting on the question vote "no", the town remains a town.

SECTION 27. IC 36-4-1.5-3, AS ADDED BY P.L.111-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A town legislative body may satisfy the requirements of this section in an ordinance adopted either before or after the town's voters vote on the question described in section 2 of this chapter.

(b) If a resolution is adopted under section 2 of this chapter, the town legislative body shall adopt an ordinance providing for the transition from governance as a town to governance as a city. The ordinance adopted under this section must include the following details:

(1) A division of the town into city legislative body districts as provided in the applicable provisions of IC 36-4-6.

(2) Provisions for the election of the following officers:

(A) The city executive.

(B) The members of the city legislative body.

(C) The city clerk or city clerk-treasurer as appropriate under IC 36-4-10.

(3) The date of the first election of the city officers. The first election may be held only on the date of ~~a~~ **the next** general election or ~~a~~ municipal election, **whichever is earlier, following the date fixed for an election under section 2 of this chapter on the question of whether the town should be changed into a city.** Candidates for election to the city offices shall be nominated:

(A) at the corresponding primary election during a general election year or a municipal election year; or

(B) as otherwise provided in IC 3.

(4) Subject to section 4 of this chapter, the term of office of each city officer elected at the first election of city officers.

(5) Any other details the town legislative body considers useful in providing for the transition of the town into a city.

(c) An ordinance adopted under this section is effective only if the voters of the town approve the conversion of the town into a city under

C o p y

section 2(6) of this chapter.

(d) The provisions of an ordinance adopted under this section are subject to all other laws governing the structure of city government.

(e) Subject to this chapter, the town legislative body or the city legislative body (after the town is changed into a city) may amend an ordinance adopted under this section.

SECTION 28. IC 36-4-3-1.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 1.4. If a township is a participant in a proposed reorganization under IC 36-1.5-4-1(a)(2), IC 36-1.5-4-1(a)(7), or IC 36-1.5-4-1(a)(8), a municipality may not adopt an annexation ordinance annexing territory within the township within the period set forth in IC 36-1.5-4-45.**

SECTION 29. IC 36-7-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. **(a) Except as provided in subsection (b),** this chapter applies to all units except townships.

(b) A unit consisting of:

(1) two (2) or more townships; and

(2) at least one (1) municipality;

that has reorganized under IC 36-1.5 may exercise planning and zoning power under IC 36-7-4 if the unit's plan of reorganization under IC 36-1.5 authorizes the unit to exercise planning and zoning powers.

SECTION 30. IC 36-7-4-107 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 107. If a provision of this chapter requires a power to be exercised by adoption of an ordinance, a unit described in IC 36-7-2-1(b) shall exercise the power by adoption of a resolution.**

SECTION 31. IC 36-7-4-202.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 202.5. (a) ADVISORY. Notwithstanding any other law, the legislative body of a unit described in IC 36-7-2-1(b) may establish by resolution an advisory plan commission.**

(b) ADVISORY. If an advisory plan commission is established under this section by a unit described in IC 36-7-2-1(b) and the unit adopts a comprehensive plan under this chapter:

(1) the advisory plan commission of the unit shall exercise the planning and zoning functions within the unit;

(2) the advisory plan commission of the unit may not exercise

C o p y

planning and zoning functions within a municipality that has established a plan commission under this chapter (other than a municipality that participated in the reorganization of the unit under IC 36-1.5);

(3) the county plan commission may not exercise planning and zoning functions within the unit; and

(4) except as provided in subdivision (2), a municipal plan commission of a municipality (other than a municipality that participated in the reorganization of the unit under IC 36-1.5) may not exercise planning and zoning functions within the unit.

Notwithstanding any other law, if a municipality (other than a municipality that participated in the reorganization of the unit under IC 36-1.5) annexes territory within a unit described in IC 36-7-2-1(b) after the unit has established an advisory plan commission under this section, the municipal plan commission of that municipality may not exercise planning and zoning functions within that annexed territory.

(c) ADVISORY. Except as specifically provided in this chapter, an advisory plan commission established under this section by a unit described in IC 36-7-2-1(b) shall exercise the planning and zoning functions within the unit in the same manner that a municipal plan commission established under this chapter exercises planning and zoning functions for a municipality.

(d) ADVISORY. Notwithstanding any other provision, if an advisory plan commission is established under this section by a unit described in IC 36-7-2-1(b), the legislative body of the unit shall, by resolution or in the unit's plan of reorganization under IC 36-1.5, determine:

(1) the number of members to be appointed to the unit's advisory plan commission;

(2) the person or entity that shall appoint or remove those members;

(3) any required qualifications for those members;

(4) the terms of those members; and

(5) whether any members or advisory members shall be appointed by the county in which the unit is located or by a municipality located within the unit.

SECTION 32. IC 36-7-4-901.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 901.5. (a) If an advisory plan commission is established under section 202.5 of this chapter by a**

C o p y

unit described in IC 36-7-2-1(b) and the unit adopts a comprehensive plan under this chapter, the legislative body of the unit shall establish a board of zoning appeals.

(b) A board of zoning appeals established under this section:

(1) shall exercise the board's powers and duties under this chapter within the unit in the same manner that a municipal board of zoning appeals established under this chapter exercises powers and duties under this chapter for a municipality; and

(2) may not exercise the board's powers and duties under this chapter within a municipality that has established a plan commission under this chapter (other than a municipality that participated in the reorganization of the unit under IC 36-1.5).

(c) Notwithstanding any other law, if the legislative body of a unit described in IC 36-7-2-1(b) establishes a board of zoning appeals under this section, the legislative body of the unit shall, by resolution or in the unit's plan of reorganization under IC 36-1.5, determine:

(1) the number of members to be appointed to the unit's board of zoning appeals;

(2) the person or entity that shall appoint or remove those members;

(3) any required qualifications for those members; and

(4) the terms of those members.

C o p y

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 174, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, line 19, delete "If the county election board approves the language".

Page 5, line 20, delete "of a public question under this subsection" and insert "**For a public question voted on by voters**".

Page 5, line 30, delete "recommend that" and insert "**approve**".

Page 5, line 30, delete "be used".

Page 5, line 32, delete "recommend modifications to" and insert "**modify**".

Page 5, delete lines 36 through 39, begin a new line blocked left and insert:

"**The department of local government finance shall certify its approval or recommendations to the county election board not more than ten (10) days after the language of the public question is submitted to the department for review. If the department of local government finance recommends a modification to the ballot language, the county election board shall, after reviewing the recommendations of the department of local government finance, submit modified ballot language to the department for the department's approval or recommendation of any additional modifications. The public question may not be certified under IC 3-10-9-3 unless the department of local government finance has first certified the department's final approval of the ballot language for the public question.**".

Page 5, delete lines 40 through 42.

Page 6, delete lines 1 through 4.

Page 6, line 23, after "(2)" insert "**This subdivision applies only to a reorganization voted on by voters after December 31, 2012.**".

and when so amended that said bill do pass.

(Reference is to SB 174 as introduced.)

LAWSON C, Chairperson

Committee Vote: Yeas 8, Nays 0.

C o p y

SENATE MOTION

Madam President: I move that Senate Bill 174 be amended to read as follows:

Page 10, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 9. IC 36-4-1-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 1.5. Notwithstanding section 1 of this chapter, for purposes of local government administration under this title, a municipality reorganized under IC 36-1.5 may, subject to the approval of the department of local government finance:**

(1) be classified and described as set forth in the reorganization plan adopted under IC 36-1.5-4; and

(2) maintain characteristics of any of the reorganizing political subdivisions.".

Renumber all SECTIONS consecutively.

(Reference is to SB 174 as printed January 20, 2012.)

LAWSON C

SENATE MOTION

Madam President: I move that Senate Bill 174 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-1.5-4-5, AS AMENDED BY P.L.113-2010, SECTION 109, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) Except as provided in subsection (b), a reorganization approved under this chapter takes effect when all of the following have occurred:

(1) The later of:

(A) the date that a copy of a joint certification from the county election board in each county in which reorganizing political subdivisions are located that indicates that:

(i) the reorganization has been approved by the voters of each reorganizing political subdivision; or

(ii) in the case of a reorganization described in section **1(a)(7) or** 1(a)(9) of this chapter, the reorganization has been approved as set forth in section 32(b) **or 32(c)** of this chapter;

C o p y

is recorded as required by section 31 of this chapter; or

(B) the date specified in the finally adopted plan of reorganization.

(2) The appointed or elected officers of the reorganized political subdivision are elected (as prescribed by section 36 of this chapter) or appointed and qualified, if:

(A) the reorganized political subdivision is a new political subdivision and reorganizing political subdivisions are not being consolidated into one (1) of the reorganizing political subdivisions;

(B) the reorganized political subdivision will have different boundaries than any of the reorganizing political subdivisions;

(C) the reorganized political subdivision will have different appointment or election districts than any of the reorganizing political subdivisions; or

(D) the finally adopted plan of reorganization requires new appointed or elected officers before the reorganization becomes effective.

(b) A reorganization approved under this chapter may not take effect during the year preceding a year in which a federal decennial census is conducted. A consolidation that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 1 of the year in which a federal decennial census is conducted.

(c) Notwithstanding subsection (b) as that subsection existed on December 31, 2009, a reorganization that took effect January 2, 2010, because of the application of subsection (b), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without the adoption of an amended reorganization plan.

SECTION 2. IC 36-1.5-4-10, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 10. (a) The legislative body of a political subdivision may initiate a proposed reorganization under this chapter by adopting a resolution that:

(1) proposes a reorganization; **and**

(2) names the political subdivisions that would be reorganized in the proposed reorganization. ~~and~~

~~(3) only in the case of a proposed reorganization described in section 1(a)(9) of this chapter, states whether the vote on the public question regarding the reorganization shall be:~~

~~(A) conducted on a countywide basis under section 30(b) of this chapter, without a rejection threshold; or~~

C o p y

~~(B) conducted on a countywide basis under section 30(b) of this chapter, with a rejection threshold.~~

(b) The clerk of the political subdivision adopting the resolution shall certify the resolution to the clerk of each political subdivision named in the resolution.

SECTION 3. IC 36-1.5-4-12, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 12. (a) If a petition is certified to the legislative body of a political subdivision under section 11 of this chapter, the legislative body shall conduct a public hearing on the proposed reorganization not sooner than five (5) days after publishing a notice of the public hearing under IC 5-3-1. Not more than thirty (30) days after the conclusion of the public hearing the legislative body shall adopt a resolution, substantially in the form prescribed by the department of local government finance, to do any of the following:

(1) Decline to participate in the proposed reorganization.

(2) Propose a reorganization with the political subdivisions named in the petition.

(3) Propose a reorganization with political subdivisions that differ in part or in whole from the political subdivisions named in the petition.

~~(b) In the case of a resolution adopted under this section proposing a reorganization described in section 1(a)(9) of this chapter, the resolution must also state whether the vote on the public question regarding the reorganization shall be:~~

~~(1) conducted on a countywide basis under section 30(b) of this chapter, without a rejection threshold; or~~

~~(2) conducted on a countywide basis under section 30(b) of this chapter, with a rejection threshold.~~

~~(c)~~ **(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 4. IC 36-1.5-4-13, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 13. (a) The legislative body of a political subdivision that receives a certified resolution under section 10 or 12 of this chapter may do any of the following:

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

(2) Adopt a substantially identical resolution proposing to participate in a proposed reorganization with the political

C o p y

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) In the case of a resolution adopted under this section proposing to participate in a proposed reorganization described in section 1(a)(9) of this chapter, the resolution must also state whether the vote on the public question regarding the reorganization shall be:~~

~~(1) conducted on a countywide basis under section 30(b) of this chapter, without a rejection threshold; or~~

~~(2) conducted on a countywide basis under section 30(b) of this chapter, with a rejection threshold.~~

~~(c)~~ **(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.".

Page 1, line 3, delete "[EFFECTIVE JULY 1, 2012]" and insert "[EFFECTIVE JANUARY 1, 2013]".

Page 2, between lines 21 and 22, begin a new line block indented and insert:

"(8) This subdivision applies only to a reorganization described in section 1(a)(7) of this chapter that is voted on by voters after December 31, 2012, regardless of when the plan of reorganization is adopted. The reorganization committee shall include in the reorganization plan an approval threshold, specified as a percentage, that applies for purposes of section 32(b) of this chapter. The approval threshold must be the same for each municipality that is a party to the proposed reorganization and to each township that is a party to the proposed reorganization. The approval threshold must be greater than fifty percent (50%), but not more than fifty-five percent (55%).

(9) This subdivision applies only to a reorganization described in section 1(a)(7) of this chapter that is voted on by voters after December 31, 2012, regardless of when the plan of reorganization is adopted. The reorganization committee shall determine and include in the reorganization plan the percentage of voters in both the municipality and the township voting on the public question regarding the proposed reorganization who must vote in favor of the

C o p y

proposed reorganization for the public question to be approved. This percentage is referred to in this chapter as the "municipality-township vote approval percentage". The municipality-township vote approval percentage must be greater than fifty percent (50%).".

Page 2, line 22, strike "(8)" and insert "**(10)**".

Page 2, line 23, strike "if the legislative bodies of the reorganizing political".

Page 2, strike lines 24 through 26.

Page 2, line 27, strike "threshold,".

Page 2, line 28, strike "rejection" and insert "**approval**".

Page 2, line 29, strike "32(b)" and insert "**32(c)**".

Page 2, line 30, strike "rejection" and insert "**approval**".

Page 2, line 32, after "reorganization." insert "**The approval threshold must be greater than fifty percent (50%), but not more than fifty-five percent (55%).**".

Page 2, line 33, before "In" strike "(9)" and insert "**(11)**".

Page 2, line 42, strike "(10)" and insert "**(12)**".

Page 3, line 1, strike "(e)." and insert "**(d).**".

Page 3, strike lines 2 through 7.

Page 3, line 8, strike "(d)" and insert "**(c)**".

Page 3, line 26, strike "(e)" and insert "**(d)**".

Page 3, line 27, strike "June 30,".

Page 3, line 28, delete "2012," and insert "**December 31, 2012,**".

Page 4, line 15, delete "(f)" and insert "**(e)**".

Page 4, line 16, delete "(e)" and insert "**(d)**".

Page 5, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 6. IC 36-1.5-4-23.5, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 23.5. The following apply if the legislative bodies of all political subdivisions that have been presented with a plan of reorganization under ~~section 18(d)~~ **section 18(c)** of this chapter have not adopted a plan of reorganization, either as presented by the reorganization committee or as modified by all of the political subdivisions, within one (1) year after the initial plan of reorganization is presented:

(1) Not later than one (1) month after the end of the one (1) year period in which the legislative bodies must adopt a plan of reorganization, the reorganization committee shall submit a final plan of reorganization to the legislative bodies of the political subdivisions.

(2) Not later than one (1) month after receiving the final plan of

C o p y

reorganization under subdivision (1), each of the legislative bodies must:

(A) hold a hearing on the final plan of reorganization; and

(B) adopt either a resolution approving the final plan of reorganization or a resolution rejecting the final plan of reorganization.

If a legislative body does not adopt a resolution under this subdivision within the one (1) month period, the failure to adopt a resolution is considered to be an approval of the final plan of reorganization.

(3) If a legislative body adopts a resolution approving the final plan of reorganization, the legislative body shall certify its approval under section 23 of this chapter.

(4) If any of the legislative bodies adopts a resolution rejecting the final plan of reorganization, the registered voters of a political subdivision in which the final plan of reorganization was rejected by a legislative body under subdivision (2) may submit a petition to the clerk of the circuit court approving the final plan of reorganization and requesting that a public question be held on the final plan of reorganization. The petition must be submitted not later than one hundred eighty (180) days after the legislative body voted to reject the final plan of reorganization. If the petition is signed by at least ten percent (10%) of the voters of the political subdivision, as determined by the vote cast in the political subdivision for secretary of state at the most recent general election:

(A) the political subdivision is considered to have approved the holding of the public question on the final plan of reorganization, notwithstanding the vote by the legislative body rejecting the final plan of reorganization; and

(B) the clerk of the circuit court shall certify approval of the final plan of the reorganization and the holding of the public question in the manner specified in section 23 of this chapter.".

Page 5, line 5, delete "A" and insert "**For a public question voted on by voters after June 30, 2012,** a".

Page 6, delete lines 5 through 42, begin a new paragraph and insert:

"SECTION 7. IC 36-1.5-4-30, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 30. (a) Except as provided in ~~subsection~~ **subsections** (b) **and (c),** at the same time that election results are certified under IC 3, the circuit court clerk of each of the counties in which a public question under this chapter is on the ballot shall jointly

C o p y

issue, in the form prescribed by the state election board, a certificate declaring whether the public question is approved or rejected by a majority of the voters voting on the public question in each of the reorganizing political subdivisions. In addition to any other requirements in IC 3 concerning filing of the certification, the certification shall be sent to each of the following:

(1) The clerk of each of the reorganizing political subdivisions.

(2) The county auditor of each county in which a reorganizing political subdivision is located.

(3) The county recorder of each county in which a reorganizing political subdivision is located.

(4) The state board of accounts.

(5) The department of local government finance.

(6) The department of state revenue.

(7) The budget agency.

(8) If any of the reorganizing political subdivisions is a school corporation, the department of education.

(b) In the case of a public question on a reorganization described in section 1(a)(7) of this chapter that is voted on by voters after December 31, 2012:

(1) the public question on a plan of reorganization shall be placed on the ballot for consideration by the voters of the reorganizing municipality and township;

(2) the vote on the public question by the voters of a reorganizing municipality and township shall be tabulated by determining the sum of the votes of voters who reside in:

(A) each reorganizing municipality and not the reorganizing township;

(B) the reorganizing township and not the reorganizing municipality; and

(C) both the reorganizing municipality and the reorganizing township;

(3) the vote on the public question by the voters of:

(A) each reorganizing municipality; and

(B) each reorganizing township (excluding the voters of the reorganizing municipalities);

shall be tabulated separately; and

(4) the circuit court clerk shall issue, in a form prescribed by the state election board, separate certificates regarding whether the public question is approved or rejected by the voters of:

(A) each reorganizing municipality and township as set

C o p y

forth in subdivision (2);

(B) each reorganizing municipality; and

(C) each reorganizing township, excluding the voters of the reorganizing municipalities;

voting on the public question.

~~(b)~~ **(c)** In the case of a public question on a reorganization described in section 1(a)(9) of this chapter:

(1) the public question on a plan of reorganization shall be placed on the ballot for consideration by the voters of the entire county;

(2) the vote on the public question by the voters of the entire county shall be tabulated;

(3) ~~if the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold,~~ the vote on the public question by the voters of:

(A) each reorganizing municipality; and

(B) the county (excluding the voters of the reorganizing municipalities);

shall be tabulated separately; and

(4) the circuit court clerk shall issue, in a form prescribed by the state election board, separate certificates regarding whether the public question is approved or rejected by the voters of:

(A) the entire county;

(B) each reorganizing municipality; ~~(if the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold);~~ and

(C) the county, excluding the voters of the reorganizing municipalities; ~~(if the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold);~~

voting on the public question.

SECTION 8. IC 36-1.5-4-32, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 32. (a) This subsection does not apply to a reorganization described in section **1(a)(7) or** 1(a)(9) of this chapter. A reorganization as specified in the plan of reorganization is approved if a majority of the voters in each reorganizing political subdivision voting on the public question approve the public question on the reorganization. **If a reorganizing political subdivision includes the territory of another reorganizing political subdivision,** the vote of voters of a reorganizing political subdivision ~~(for example, a city)~~ who

C o p y

also are voters in a second reorganizing political subdivision ~~(for example, a township)~~ that is geographically larger than the first political subdivision and that includes the territory of the first political subdivision shall be included only in the tally of votes for the first reorganizing political subdivision in which the voters reside.

(b) This subsection applies only to a reorganization described in section 1(a)(7) of this chapter. This subsection applies only to a reorganization voted on by voters after December 31, 2012. In the case of a proposed reorganization between a municipality and a township, the reorganization is approved only if:

(1) the percentage of all voters voting on the public question who:

(A) reside in:

(i) the reorganizing municipality and not the reorganizing township;

(ii) the reorganizing township and not the reorganizing municipality; and

(iii) both the reorganizing municipality and the reorganizing township; and

(B) vote in favor of the proposed reorganization;

is greater than fifty percent (50%);

(2) the percentage of voters of the reorganizing municipality voting on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan, which must be greater than fifty percent (50%) but not more than fifty-five percent (55%); and

(3) the percentage of voters who reside within the reorganizing township but do not reside within the reorganizing municipality and who vote on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan, which must be greater than fifty percent (50%) but not more than fifty-five percent (55%).

If the reorganization is not approved, the reorganization is terminated. In tabulating the votes under subdivisions (2) and (3), the vote of voters of a reorganizing municipality who are also voters in the reorganizing township shall be included only in the tally of votes for the municipality in which the voters reside.

~~(b)~~ **(c)** ~~This subsection applies~~ **The following apply** only to a reorganization described in section 1(a)(9) of this chapter.

(1) In the case of a public question voted on by voters before January 1, 2013, the reorganization is approved only if:

C o p y

~~(1)~~ **(A)** the percentage of voters voting on the public question who vote, on a countywide basis, in favor of the proposed reorganization is at least equal to the countywide vote approval percentage specified in the final reorganization plan;

~~(2)~~ **(B)** ~~if~~ the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold, **and** the percentage of voters of the county (excluding the voters of the reorganizing municipalities) voting on the public question who vote against the reorganization is less than the rejection threshold included in the final reorganization plan; and

~~(3)~~ **(C)** ~~if~~ the legislative bodies of the reorganizing political subdivisions have agreed that the vote on the public question shall be conducted with a rejection threshold, **and** the percentage of voters of each reorganizing municipality voting on the public question who vote against the reorganization is less than the rejection threshold included in the final reorganization plan.

(2) In the case of a public question voted on by voters after December 31, 2012, the reorganization is approved only if all of the following requirements are met:

(A) More than fifty percent (50%) of the voters in the county voting on the public question vote (on a countywide basis) in favor of the proposed reorganization.

(B) The percentage of voters of the reorganizing county (excluding the voters of the reorganizing municipalities) voting on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan. The approval threshold must be greater than fifty percent (50%) but not more than fifty-five percent (55%).

(C) The percentage of voters of each reorganizing municipality voting on the public question in favor of the reorganization equals or exceeds the approval threshold included in the final reorganization plan. The approval threshold must be greater than fifty percent (50%) but not more than fifty-five percent (55%).

If the reorganization is not approved, the reorganization is terminated. ~~If the legislative bodies of the reorganizing political subdivisions have agreed that the vote in the public question shall be conducted with a rejection threshold, then~~ In tabulating the votes under ~~subdivisions (2) and (3),~~ **subsection (c)(1)(B), (c)(1)(C), (c)(2)(B), and (c)(2)(C),** the

C o p y

vote of voters of a reorganizing municipality who also are voters in the county shall be included only in the tally of votes for the municipality in which the voters reside.

SECTION 9. IC 36-1.5-4-34, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 34. (a) This section applies if:

(1) in the case of a reorganization that is not described in section **1(a)(7) or** 1(a)(9) of this chapter, the majority of the voters of each of the reorganizing political subdivisions voting on the public question approve the public question concerning the reorganization; or

(2) in the case of a reorganization described in section **1(a)(7) or** 1(a)(9) of this chapter, the reorganization is approved as set forth in section 32(b) **or 32(c)** of this chapter.

(b) The political subdivisions are reorganized in the form and under the conditions specified by the legislative bodies of the reorganizing political subdivisions in the plan of reorganization filed with the county recorder under this chapter.".

Page 7, delete lines 1 through 20.

Renumber all SECTIONS consecutively.

(Reference is to SB 174 as printed January 20, 2012.)

LAWSON C

SENATE MOTION

Madam President: I move that Senate Bill 174 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-1.5-2-6 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 6. "Reorganization committee" refers to a committee established under this article to assist reorganizing political subdivisions with developing a plan of reorganization.~~

SECTION 2. IC 36-1.5-4-15 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 15. Not later than thirty (30) days after the clerk of the last political subdivision to adopt a reorganization resolution under this chapter has certified the substantially identical resolution to all of the political subdivisions named in the resolution, the reorganizing political subdivisions shall appoint the number of~~

Copy

~~individuals specified in section 16 of this chapter to serve on a reorganization committee to develop a plan of reorganization for the reorganizing political subdivisions.~~

SECTION 3. IC 36-1.5-4-16 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 16. (a) Members shall be appointed to a reorganization committee as follows:~~

~~(1) In accordance with an agreement adopted by the reorganizing political subdivisions. An agreement under this subdivision must provide that not more than a simple majority of the members appointed by each political subdivision may be members of the same political party.~~

~~(2) If an agreement does not provide for the membership of a reorganization committee under this chapter, three (3) members shall be appointed by the executive of each political subdivision participating in the reorganization. Not more than two (2) of the members appointed by an executive of a political subdivision may be members of the same political party.~~

~~(b) The members of a reorganization committee serve at the pleasure of the appointing authority. The reorganization committee shall select a chairperson and any other officers that the reorganization committee determines necessary from the members of the reorganization committee.~~

~~(c) The members of a reorganization committee serve without compensation. The members, however, are entitled to reimbursement from the reorganizing political subdivisions for the necessary expenses incurred in the performance of their duties.~~

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

~~(e) Except as otherwise provided in an agreement adopted by the reorganizing political subdivisions, claims for expenditures for the reorganization committee shall be made to the fiscal officer for the reorganizing political subdivision with the largest population. The fiscal officer shall pay the necessary expenditures and obtain reimbursement from the reorganizing political subdivisions:~~

~~(1) in accordance with an agreement adopted by the reorganizing political subdivisions; or~~

~~(2) in the absence of an agreement, in proportion to the population of each reorganizing political subdivision.~~

SECTION 4. IC 36-1.5-4-17 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. ~~Sec. 17. A reorganization committee may do the~~

C o p y

~~following:~~

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

~~(2) Conduct public hearings on the plan of reorganization as the reorganization committee determines necessary or 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.~~".

Page 1, line 3, after "committee" insert "**(before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)**".

Page 2, line 17, after "committee" insert "**(before January 1, 2013)**".

Page 2, line 17, after "determines" insert "**or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012) determine**".

Page 2, line 20, after "committee" delete ";" and insert " **(before January 1, 2013);**".

Page 2, line 27, after "committee" insert "**(before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)**".

Page 2, line 34, after "committee" insert "**(before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)**".

Page 3, line 1, strike "(e)." and insert "**(f).**".

Page 3, line 7, after "threshold." insert "**This subsection expires January 1, 2013.**".

Page 3, line 16, after "resolution." insert "**This subsection expires January 1, 2013.**

(e)".

Page 3, line 17, after "2010," insert "**and before January 1, 2013, or prepared by the legislative bodies of the reorganizing political subdivisions after December 31, 2012,**".

Page 3, line 21, after "committee" delete "." and insert "**(before January 1, 2013) or (after December 31, 2012) not more than thirty (30) days after the plan of reorganization is prepared by the legislative bodies of the reorganizing political subdivisions.**".

Page 3, line 26, strike "(e)" and insert "**(f)**".

Page 3, line 28, after "2012," insert "**and before January 1, 2013,**".

Page 3, line 29, after "reorganization." insert "**The legislative**

C o p y

bodies of the reorganizing political subdivisions preparing a reorganization plan after December 31, 2012, must include in the plan of reorganization a fiscal impact analysis of the proposed reorganization.".

Page 4, line 15, delete "(f)" and insert "**(g)**".

Page 4, line 15, after "committee" insert "**(before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)**".

Page 4, line 16, delete "(e)" and insert "**(f)**".

Page 4, line 20, after "committee" insert "**(before January 1, 2013) or the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)**".

Page 4, line 35, after "committee" insert "**(before January 1, 2013) or to the legislative bodies of the reorganizing political subdivisions (after December 31, 2012)**".

Page 4, line 42, after "committee" delete "." and insert "**(before January 1, 2013) or by the legislative bodies of the reorganizing political subdivisions (after December 31, 2012).**".

Page 5, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 6. IC 36-1.5-4-19, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 19. The legislative body of each of the reorganizing political subdivisions shall provide for the following:

(1) Consideration of a plan of reorganization ~~presented by a reorganization committee~~ in the form of a resolution incorporating the plan of reorganization in full or by reference.

(2) Reading of the resolution incorporating the plan of reorganization in at least two (2) separate meetings of the legislative body of the political subdivision.

(3) Conducting a public hearing on the plan of reorganization:

(A) not sooner than five (5) days after notice of the public hearing is published under IC 5-3-1; and

(B) before the legislative body takes final action on the resolution to adopt the plan of reorganization.

SECTION 7. IC 36-1.5-4-20, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 20. At a public hearing on a plan of reorganization conducted under section 19 of this chapter, or in a public meeting held not more than thirty (30) days after the public hearing concludes, a legislative body of a reorganizing political subdivision shall do one (1) of the following:

(1) Adopt the plan of reorganization. ~~as presented to the~~

C o p y

~~legislative body.~~

(2) Adopt the plan of reorganization with modifications.

(3) Reject the plan of reorganization. ~~and order a reorganization committee to submit a new plan of reorganization within thirty (30) days after the legislative body rejects the plan of reorganization.~~

SECTION 8. IC 36-1.5-4-22, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 22. The legislative body of each reorganizing political subdivision shall take any of the actions described in section 20 of this chapter on a revised plan of reorganization ~~submitted by a reorganization committee~~ and each resolution modifying a plan of reorganization or revised plan of reorganization in the same manner as the legislative body may take action on the initially submitted plan of reorganization.

SECTION 9. IC 36-1.5-4-23, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 23. The legislative body of a reorganizing political subdivision 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 the following:

~~(1) The chair of the reorganization committee.~~

~~(2)~~ **(1)** The clerk of each reorganizing political subdivision.

~~(3)~~ **(2)** The county fiscal officer of each county in which a reorganizing political subdivision is located.

~~(4)~~ **(3)** The county recorder of each county in which a reorganizing political subdivision is located.

SECTION 10. IC 36-1.5-4-23.5, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23.5. ~~The following apply~~ If the legislative bodies of all political subdivisions that have been presented with ~~a~~ **an initial** plan of reorganization under section ~~18(d)~~ **18** of this chapter have not adopted a **final** plan of reorganization ~~either as presented by the reorganization committee or as modified by all of the political subdivisions,~~ within one (1) year after the initial plan of reorganization is presented,

~~(1) Not later than one (1) month after the end of the one (1) year period in which the legislative bodies must adopt a plan of reorganization, the reorganization committee shall submit a final plan of reorganization to the legislative bodies of the political subdivisions.~~

C o p y

~~(2) Not later than one (1) month after receiving the final plan of reorganization under subdivision (1), each of the legislative bodies must:~~

~~(A) hold a hearing on the final plan of reorganization; and~~

~~(B) adopt either a resolution approving the final plan of reorganization or a resolution rejecting the final plan of reorganization.~~

~~If a legislative body does not adopt a resolution under this subdivision within the one (1) month period, the failure to adopt a resolution is considered to be an approval of the final plan of reorganization.~~

~~(3) If a legislative body adopts a resolution approving the final plan of reorganization, the legislative body shall certify its approval under section 23 of this chapter.~~

~~(4) If any of the legislative bodies adopts a resolution rejecting the final plan of reorganization,~~ the registered voters of a political subdivision in which the ~~final~~ **initial** plan of reorganization was ~~rejected by~~ **presented to** a legislative body ~~under subdivision (2)~~ **but not adopted** may submit a petition to the clerk of the circuit court approving ~~the~~ **a** final plan of reorganization and requesting that a public question be held on the final plan of reorganization. The petition must be submitted not later than one hundred eighty (180) days after **the date that is one (1) year after** the **initial plan of reorganization was presented to the** legislative body. ~~voted to reject the final plan of reorganization.~~ If the petition is signed by at least ten percent (10%) of the voters of the political subdivision, as determined by the vote cast in the political subdivision for secretary of state at the most recent general election:

(A) the political subdivision is considered to have approved the holding of the public question on the final plan of reorganization, notwithstanding the vote by the legislative body rejecting the final plan of reorganization; and

(B) the clerk of the circuit court shall certify approval of the final plan of the reorganization and the holding of the public question in the manner specified in section 23 of this chapter.".

Page 7, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 13. IC 36-1.5-4-33, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 33. Except in the case of a reorganization described in section 1(a)(9) of this chapter, if a reorganization is not approved by the majority of the voters in each reorganizing political

C o p y

subdivision voting on the public question, the reorganization is terminated. A political subdivision in which voters of the political subdivision approved the reorganization may continue with a reorganization with another political subdivision in which the reorganization was approved only if a new plan of reorganization is approved by the voters of each political subdivision in the manner provided by this chapter. ~~The reorganization committee shall adopt a plan to specify how matters related to the termination of the reorganization shall be handled.~~".

Renumber all SECTIONS consecutively.

(Reference is to SB 174 as printed January 20, 2012.)

HEAD

C o p y