

**CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 459**

Citations Affected: IC 6-1.1-18.5-10.4; IC 36-1; IC 36-1.5; IC 36-6-1.5; IC 36-7-14-3.7; IC 36-8-19-8.5.

Synopsis: CONFERENCE COMMITTEE REPORT FOR ESB 459. Local government reorganization. Specifies that after a local government reorganization, a reorganized political subdivision may (except as provided in the plan of reorganization) do any of the following: (1) Establish any fund that one or more of the reorganizing political subdivisions were authorized to establish before the reorganization. (2) Impose any tax levy or adopt any tax that one or more of the reorganizing political subdivisions were authorized to impose or adopt before the reorganization. Provides that in the case of: (1) a local government reorganization; (2) a township merger; (3) a transfer or sharing of powers, duties, functions, or resources under an interlocal cooperation agreement; or (4) a combination or reorganization of a political subdivision's departments, agencies, or functions; the reorganizing or merging local governments shall specify in the reorganization plan or in the cooperative agreement or other agreement the amount (if any) of the decrease that the department of local government finance (DLGF) shall make to the maximum property tax levies, maximum property tax rates, and budgets of the political subdivision to eliminate double taxation or eliminate any excess by which the amount of property taxes imposed by the political subdivision exceeds the amount necessary to pay for services. Provides the following regarding a township that merges with another township: (1) The new township may use any funds that are not needed to deliver services to pay the indebtedness of the new township government. (2) After satisfaction of the indebtedness, the new township may do the following with any remaining excess funds: (A) Transfer the funds to the county or a municipality having jurisdiction within the new township to make improvements to infrastructure located within the new township. (B) Transfer the funds to a transportation corporation that offers service within the area of the new township for use within the new township. (C) Use the funds for improvement of fire services within the new township. (D) Transfer the funds to a political subdivision that has jurisdiction within the new township for improvement of any fire department that provides service within the area of the new township. Provides that in the case of a government reorganization that involves one or more municipalities and one or more townships, all of which are participating units in a fire protection territory on the date the reorganization is approved by voters, the fiscal body of the reorganized political subdivision that

results from a reorganization may establish an equipment replacement fund under the fire protection territory law and impose a property tax for the fund and take any other action under the fire protection territory law that may be taken by a participating unit in a fire protection territory. Specifies that the requirements and procedures in the statute governing the establishment of a cumulative fund and the imposing or increasing of a property tax rate for a cumulative fund also apply to an equipment replacement fund established for a fire protection territory. Requires the DLGF to assist township mergers and prohibits the DLGF from preventing or delaying township mergers. Removes the requirement that a county legislative body adopt an ordinance ordering a township merger after the legislative bodies of the merging townships adopt resolutions approving the merger. Removes provisions that prohibit a merger from being approved less than one year before the merger becomes effective. Provides that a township merger may reduce the term of office of a township trustee. **(This conference committee report: (1) deletes the provisions that would allow townships in a county having a consolidated city to merge under the township merger statutes; (2) reconciles a conflict between ESB 459 and SEA 343; and (3) provides that a definition of "development area" used in a new section of the redevelopment law applies only within that new section, rather than throughout the entire chapter of the redevelopment law.)**

Effective: Upon passage; July 1, 2013.

Adopted Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 459 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
2 SECTION 1. IC 6-1.1-18.5-10.4 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.4. (a) The ad
4 valorem property tax levy limits imposed by section 3 of this chapter
5 do not apply to ad valorem property taxes imposed by a township or a
6 fire protection district under IC 36-8-14.
7 (b) For purposes of computing the ad valorem property tax levy
8 limit imposed on a township or a fire protection district under section
9 3 of this chapter, the township's or the fire protection district's ad
10 valorem property tax levy for a particular calendar year does not
11 include that part of the levy imposed under IC 36-8-14.
12 **(c) In the case of a reorganization under IC 36-1.5 that includes**
13 **a township and another political subdivision:**
14 **(1) the ad valorem property tax levy limits imposed by section**
15 **3 of this chapter do not apply to any of the ad valorem**
16 **property taxes imposed by the reorganized political**
17 **subdivision under IC 36-8-14; and**
18 **(2) for purposes of computing the ad valorem property tax**
19 **levy limit imposed on the reorganized political subdivision**
20 **under section 3 of this chapter, the reorganized political**
21 **subdivision's ad valorem property tax levy for a particular**
22 **calendar year does not include any part of the levy imposed**

1 **under IC 36-8-14;**
 2 **notwithstanding section 9.8 of this chapter.**

3 SECTION 2. IC 36-1-7-16, AS ADDED BY P.L.58-2011,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2013]: Sec. 16. (a) This section applies to a political
 6 subdivision if:

- 7 (1) the political subdivision enters into an agreement with one (1)
 8 or more other political subdivisions under this chapter to transfer,
 9 combine, or share powers, duties, functions, or resources; **and**
 10 (2) the political subdivision realizes through the transfer,
 11 combination, or sharing of powers, duties, functions, or resources
 12 a:

- 13 (A) savings; or
 14 (B) reduction in the reasonably foreseeable expenses that
 15 would otherwise have been incurred by the political
 16 subdivision if the transfer, combination, or sharing of powers,
 17 duties, functions, or resources had not taken place. ~~and~~
 18 (3) ~~the department of local government finance will otherwise~~
 19 ~~decrease the maximum permissible property tax levies, maximum~~
 20 ~~permissible property tax rates, or budgets of the political~~
 21 ~~subdivision to:~~

- 22 (A) ~~eliminate double taxation by different political~~
 23 ~~subdivisions for services; or~~
 24 (B) ~~eliminate any excess by which the amount of property~~
 25 ~~taxes imposed by the political subdivision exceeds the amount~~
 26 ~~necessary to pay for services.~~

27 (b) **The political subdivision shall specify in the agreement**
 28 **described in subsection (a) the amount (if any) of the decrease that**
 29 **the department of local government finance shall establish criteria for**
 30 **making an adjustment make to the maximum permissible property tax**
 31 **levies, maximum permissible property tax rates, and budgets under**
 32 **IC 6-1.1-17 and IC 6-1.1-18.5 of a the political subdivision described**
 33 **in subsection (a): to:**

- 34 **(1) eliminate double taxation by different political**
 35 **subdivisions for services; or**
 36 **(2) eliminate any excess by which the amount of property**
 37 **taxes imposed by the political subdivision exceeds the amount**
 38 **necessary to pay for services.**

39 (c) The adjustment under subsection (b) must permit the political
 40 subdivision to continue to:

- 41 (1) include in the political subdivision's budget part of the
 42 budgeted amounts that would otherwise be reduced by the
 43 department of local government finance on account of the realized
 44 savings or reduction in expenses; and
 45 (2) impose part of a property tax levy that would otherwise be
 46 reduced by the department of local government finance on
 47 account of the realized savings or reduction in expenses.

48 (d) The additional amount that a political subdivision may continue
 49 to levy or include in the political subdivision's budget because of the
 50 adjustment under subsection (b) may not exceed the result of:

1 (1) the savings or reduction in expenses realized in the first full
 2 year of operation after the transfer, combination, or sharing of
 3 powers, duties, functions, or resources is implemented, as
 4 determined by the department of local government finance;
 5 multiplied by

6 (2) a percentage determined as follows:

7 (A) Fifty percent (50%) in the first year of the adjustment.

8 (B) Fifty percent (50%) in the second year of the adjustment.

9 (C) Thirty percent (30%) in the third year of the adjustment.

10 (D) Ten percent (10%) in the fourth year of the adjustment and
 11 thereafter.

12 (c) The fiscal body of the political subdivision shall determine and
 13 certify to the department of local government finance the amount of the
 14 adjustment that the political subdivision wishes to accept under this
 15 section: **(if any) to be made under subsection (b)**. The amount of any
 16 adjustment accepted by a political subdivision **the adjustment (if any)**
 17 **to be made** under this section **subsection (b)** must comply with the
 18 agreement under this chapter under which the political subdivision
 19 transfers, combines, or shares powers, duties, functions, or resources.

20 SECTION 3. IC 36-1-8-17, AS ADDED BY P.L.58-2011,
 21 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2013]: Sec. 17. (a) This section applies to a political
 23 subdivision if:

24 (1) the political subdivision combines or reorganizes a
 25 department, agency, or function of the political subdivision; **and**

26 (2) the political subdivision realizes through the combination or
 27 reorganization a:

28 (A) savings; or

29 (B) reduction in the reasonably foreseeable expenses that
 30 would otherwise have been incurred by the political
 31 subdivision if the combination or reorganization had not taken
 32 place. **and**

33 (3) the department of local government finance will otherwise
 34 decrease the maximum permissible property tax levies, maximum
 35 permissible property tax rates, or budgets of the political
 36 subdivision to:

37 (A) eliminate double taxation; or

38 (B) eliminate any excess by which the amount of property
 39 taxes imposed by the political subdivision exceeds the amount
 40 necessary to pay for services.

41 (b) The **fiscal body of a political subdivision shall specify by**
 42 **resolution the amount (if any) of the decrease that the** department
 43 of local government finance shall **establish criteria for making an**
 44 **adjustment make** to the maximum permissible property tax levies,
 45 maximum permissible property tax rates, and budgets under
 46 IC 6-1.1-17 and IC 6-1.1-18.5 of a political subdivision described in
 47 subsection (a) to:

48 (1) **eliminate double taxation by different political**
 49 **subdivisions for services; or**

50 (2) **eliminate any excess by which the amount of property**

1 **taxes imposed by the political subdivision exceeds the amount**
 2 **necessary to pay for services.**

3 (c) The adjustment under subsection (b) must permit the political
 4 subdivision to continue to:

5 (1) include in the political subdivision's budget part of the
 6 budgeted amounts that would otherwise be reduced by the
 7 department of local government finance on account of the realized
 8 savings or reduction in expenses; and

9 (2) impose part of a property tax levy that would otherwise be
 10 reduced by the department of local government finance on
 11 account of the realized savings or reduction in expenses:

12 (d) The additional amount that a political subdivision may continue
 13 to levy or include in the political subdivision's budget because of the
 14 adjustment under subsection (b) may not exceed the result of:

15 (1) the savings or reduction in expenses realized in the first full
 16 year of operation after the combination or reorganization is
 17 implemented; as determined by the department of local
 18 government finance; multiplied by

19 (2) a percentage determined as follows:

20 (A) Fifty percent (50%) in the first year of the adjustment:

21 (B) Fifty percent (50%) in the second year of the adjustment:

22 (C) Thirty percent (30%) in the third year of the adjustment:

23 (D) Ten percent (10%) in the fourth year of the adjustment and
 24 thereafter:

25 (c) The fiscal body of the political subdivision shall determine and
 26 certify to the department of local government finance the amount of the
 27 adjustment that the political subdivision wishes to accept under this
 28 section: **(if any) to be made under subsection (b).**

29 SECTION 4. IC 36-1.5-1-4, AS ADDED BY P.L.186-2006,
 30 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2013]: Sec. 4. A political subdivision:

32 (1) may exercise the powers granted under this article to
 33 reorganize or enter into cooperative agreements without
 34 complying with the provisions of any other law, statute, or rule;
 35 **and**

36 (2) **may, after the reorganization, exercise any power**
 37 **described in IC 36-1.5-4-38.**

38 SECTION 5. IC 36-1.5-1-6, AS ADDED BY P.L.186-2006,
 39 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2013]: Sec. 6. Except as otherwise specifically provided by
 41 law, to the extent the provisions of this article are inconsistent with the
 42 provisions of any other general, special, or local law, the provisions of
 43 this article are controlling, and compliance with this article shall be
 44 treated as compliance with the conflicting law. **However, after the**
 45 **reorganization, the reorganized political subdivision may exercise**
 46 **any power described in IC 36-1.5-4-38.**

47 SECTION 6. IC 36-1.5-3-4, AS ADDED BY P.L.186-2006,
 48 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 49 JULY 1, 2013]: Sec. 4. (a) Subject to this chapter, the department of
 50 local government finance shall adjust the maximum permissible

1 property tax levies, maximum permissible property tax rates, and
 2 budgets of political subdivisions that enter into a reorganization under
 3 this article as the department of local government finance determines
 4 necessary to **provided in section 5 of this chapter.**

5 **(b) Upon the termination of a reorganization under this chapter,**
 6 **the department of local government finance shall adjust the**
 7 **maximum permissible property tax levies, maximum permissible**
 8 **property tax rates, and budgets of political subdivisions**
 9 **terminating the reorganization to do the following:**

10 (1) Eliminate double taxation by different political subdivisions
 11 for services or goods provided under this article.

12 (2) Eliminate any excess by which the amount of property taxes
 13 imposed by a political subdivision exceeds the amount necessary
 14 to pay for services or goods provided under this article.

15 (3) (1) Restore taxing powers of a political subdivision after the
 16 termination of a reorganization under this article that are
 17 necessary to fund governmental services to the individuals and
 18 entities served by the political subdivision.

19 (4) (2) Restore taxing powers of a political subdivision after the
 20 withdrawal of a party from a reorganization under this article that
 21 are necessary to fund governmental services to the individuals
 22 and entities served by the political subdivision.

23 SECTION 7. IC 36-1.5-3-5, AS AMENDED BY P.L.58-2011,
 24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: Sec. 5. (a) The department of local government finance
 26 shall establish criteria for making an adjustment to the maximum
 27 permissible property tax levies; maximum permissible property tax
 28 rates; and budgets under IC 6-1.1-17 and IC 6-1.1-18.5 if a political
 29 subdivision (or a successor political subdivision) realizes through a
 30 reorganization under this article; including a reorganization through a
 31 cooperative agreement under IC 36-1.5-5; a: (1) savings; or (2)
 32 reduction in the reasonably foreseeable expenses that would otherwise
 33 have been incurred by the political subdivision if the reorganization
 34 had not taken place. **The plan of reorganization must specify the**
 35 **amount (if any) of the decrease that the department of local**
 36 **government finance shall make to the maximum permissible**
 37 **property tax levies, maximum permissible property tax rates, and**
 38 **budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of the reorganized**
 39 **political subdivision to:**

40 (1) **eliminate double taxation for services or goods provided**
 41 **by the reorganized political subdivision; or**

42 (2) **eliminate any excess by which the amount of property**
 43 **taxes imposed by the reorganized political subdivision exceeds**
 44 **the amount necessary to pay for services or goods provided**
 45 **under this article.**

46 (b) Except as provided in subsection (d), the adjustment under this
 47 section must permit the political subdivision to continue to:

48 (1) include in the political subdivision's budget part of the
 49 budgeted amounts that would otherwise be reduced by the
 50 department of local government finance under section 4 of this
 51 chapter on account of the realized savings or reduction in

1 expenses that occurs because of the reorganization; and
 2 (2) impose part of the property tax levy that would otherwise be
 3 reduced by the department of local government finance under
 4 section 4 of this chapter on account of the realized savings or
 5 reduction in expenses that occurs because of the reorganization.

6 (c) The additional amount that a political subdivision may continue
 7 to levy or include in the political subdivision's budget because of the
 8 adjustment under this section may not exceed the result of:

9 (1) the savings or reduction realized in the first full year of
 10 operation after the reorganization is implemented; as determined
 11 by the department of local government finance; multiplied by

12 (2) a percentage determined as follows:

13 (A) Fifty percent (50%) in the first year of the adjustment.

14 (B) Fifty percent (50%) in the second year of the adjustment.

15 (C) Thirty percent (30%) in the third year of the adjustment.

16 (D) Ten percent (10%) in the fourth year of the adjustment and
 17 thereafter.

18 (b) The fiscal body of the **reorganized** political subdivision shall
 19 determine and certify to the department of local government finance
 20 the amount of the adjustment ~~that the political subdivision wishes to~~
 21 ~~accept (if any) under this section: subsection (a).~~

22 (d) (c) The amount of ~~any the~~ adjustment accepted by a political
 23 subdivision ~~(if any) under this section subsection (a)~~ must comply
 24 with the reorganization agreement under which the political
 25 subdivision is reorganized under this article.

26 SECTION 8. IC 36-1.5-4-34.5 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2013]: **Sec. 34.5. (a) This section applies to a**
 29 **reorganization under this chapter that:**

30 (1) occurs after **June 30, 2006**; and

31 (2) involves one (1) or more municipalities and one (1) or
 32 more townships, all of which are participating units in a fire
 33 protection territory on the date the reorganization is
 34 approved by voters.

35 (b) The fiscal body of a reorganized political subdivision that
 36 results from a reorganization described in subsection (a) may:

37 (1) establish an equipment replacement fund under
 38 IC 36-8-19-8.5 and impose a property tax for the fund as
 39 provided in IC 36-8-19-8.5; and

40 (2) take any other action under IC 36-8-19-8.5 that may be
 41 taken under that section by a participating unit in a fire
 42 protection territory.

43 (c) If a reorganized political subdivision establishes an
 44 equipment replacement fund under IC 36-8-19-8.5 as authorized
 45 by this section, the department of local government finance may
 46 adjust the maximum permissible ad valorem property tax levy that
 47 would otherwise apply to the reorganized political subdivision in
 48 the same manner in which the department may adjust the
 49 maximum permissible ad valorem property tax levy of a civil
 50 taxing unit under IC 6-1.1-18.5-10.5 to meet the civil taxing unit's
 51 obligations to a fire protection territory established under

IC 36-8-19.

SECTION 9. IC 36-1.5-4-38, AS AMENDED BY SEA 343-2013, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: 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, **including a power described in subsection (b)**. 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) Except as provided in the plan of reorganization, a reorganized political subdivision may also do any of the following:

(1) Establish any fund that one (1) or more of the reorganizing political subdivisions (either acting on its own or jointly with another political subdivision) were authorized to establish before the reorganization.

(2) Impose any tax levy or adopt any tax that one (1) or more of the reorganizing political subdivisions were authorized to impose or adopt before the reorganization.

~~(b)~~ **(c)** This subsection applies to reorganizations approved by voters after June 30, 2013. 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 10. IC 36-1.5-4-40.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 40.5. The following apply in the case of a reorganization under this article that includes a township and another political subdivision:**

(1) If the township borrowed money from a township fund under IC 36-6-6-14(c) to pay the operating expenses of the township fire department or a volunteer fire department before the reorganization:

(A) the reorganized political subdivision is not required to repay the entire loan during the following year; and

(B) the reorganized political subdivision may repay the loan in installments during the following five (5) years.

(2) Except as provided in subdivision (3):

(A) the reorganized political subdivision continues to be responsible after the reorganization for providing township services in all areas of the township, including within the territory of a municipality in the township that

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

does not participate in the reorganization; and
(B) the reorganized political subdivision retains the powers of a township after the reorganization in order to provide township services as required by clause (A).
(3) Powers and duties of the reorganized political subdivision may be transferred as authorized in an interlocal cooperation agreement approved under IC 36-1-7 or as authorized in a cooperative agreement approved under IC 36-1.5-5.
(4) If all or part of a municipality in the township is not participating in the reorganization, not less than ten (10) township taxpayers who reside within territory that is not participating in the reorganization may file a petition with the county auditor protesting the reorganized political subdivision's township assistance levy. The petition must be filed not more than thirty (30) days after the reorganized political subdivision finally adopts the reorganized political subdivision's township assistance levy. The petition must state the taxpayers' objections and the reasons why the taxpayers believe the reorganized political subdivision's township assistance levy is excessive or unnecessary. The county auditor shall immediately certify a copy of the petition, together with other data necessary to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and other data, the department of local government finance shall fix a time and place for the hearing of the matter. The hearing shall be held not less than five (5) days and not more than thirty (30) days after the receipt of the certified documents. The hearing shall be held in the county where the petition arose. Notice of the hearing shall be given by the department of local government finance to the reorganized political subdivision and to the first ten (10) taxpayer petitioners listed on the petition by letter. The letter shall be sent to the first ten (10) taxpayer petitioners at the taxpayers' usual place of residence at least five (5) days before the date of the hearing. After the hearing, the department of local government finance may reduce the reorganized political subdivision's township assistance levy to the extent that the levy is excessive or unnecessary. A taxpayer who signed a petition under this subdivision or a reorganized political subdivision against which a petition under this subdivision is filed may petition for judicial review of the final determination of the department of local government finance under this subdivision. The petition must be filed in the tax court not more than forty-five (45) days after the date of the department of local government finance's final determination.
(5) Section 40 of this chapter applies to the debt service levy of the reorganized political subdivision and to the department of local government finance's determination of the new maximum permissible ad valorem property tax levy for the reorganized political subdivision.

1 (6) The reorganized political subdivision may not borrow
2 money under IC 36-6-6-14(b) or IC 36-6-6-14(c).

3 (7) The new maximum permissible ad valorem property tax
4 levy for the reorganized political subdivision's firefighting
5 fund under IC 36-8-13-4 is equal to:

6 (A) the result of:

7 (i) the maximum permissible ad valorem property tax
8 levy for the township's firefighting fund under
9 IC 36-8-13-4 in the year preceding the year in which the
10 reorganization is effective; multiplied by

11 (ii) the assessed value growth quotient applicable for
12 property taxes first due and payable in the year in which
13 the reorganization is effective; plus

14 (B) any amounts borrowed by the township under
15 IC 36-6-6-14(b) or IC 36-6-6-14(c) in the year preceding
16 the year in which the reorganization is effective.

17 SECTION 11. IC 36-6-1.5-1.5 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2013]: Sec. 1.5. (a) All of the following apply
20 to a township that merges with another township under this
21 chapter:

22 (1) Notwithstanding any other law, the new township
23 government may use any funds in excess of what the new
24 township government determines is necessary to deliver
25 effective service to pay the indebtedness of the new township
26 government, including bonds and other indebtedness
27 transferred to the new township government under section 8
28 of this chapter.

29 (2) Notwithstanding any other law, after the indebtedness
30 described in subdivision (1) is satisfied, the new township
31 government may do the following with any remaining excess
32 funds:

33 (A) Transfer the funds to:

34 (i) the county in which the new township government is
35 located; or

36 (ii) a municipality that has jurisdiction;

37 to make improvements to infrastructure located within the
38 area of the new township government.

39 (B) Transfer the funds to a transportation corporation that
40 offers service within the area of the new township
41 government to pay for, or make improvements to, services
42 within the area of the new township government.

43 (C) Use the funds for improvement of fire protection
44 services within the area of the new township government.

45 (D) Transfer the funds to a political subdivision that has
46 jurisdiction within the new township government for
47 improvement of any fire department that provides service
48 within the area of the new township government.

49 (b) Notwithstanding any other law, the department of local
50 government finance shall take any and all appropriate action to
51 assist townships in merging under this chapter and may not in any

1 manner delay a merger of townships or prevent a merger of
2 townships.

3 (c) This section shall be liberally construed to effect the
4 purposes of this section.

5 (d) Notwithstanding any other law, to the extent the provisions
6 of this chapter are inconsistent with the provisions of any other
7 law, the provisions of this chapter are controlling, and compliance
8 with this chapter shall be treated as compliance with the conflicting
9 law.

10 SECTION 12. IC 36-6-1.5-5, AS ADDED BY P.L.240-2005,
11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2013]: Sec. 5. (a) The township trustees, with the approval of
13 a majority of the members of the township legislative body of each
14 township that wants to merge township governments under this
15 chapter, must comply with this section.

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

25 (c) The township legislative bodies may adopt the identical
26 resolutions approving the township government merger under this
27 chapter not later than ninety (90) days after the legislative body has
28 held the public hearing under subsection (b). ~~The townships shall~~
29 ~~submit the resolutions to the county legislative body of the county~~
30 ~~within which the townships are located:~~

31 (d) ~~The county legislative body of the county where the township~~
32 ~~governments are located must: (1) adopt an ordinance ordering the~~
33 ~~merger; and (2) trustees of the participating townships shall jointly~~
34 ~~file a copy of the ordinance identical resolutions with:~~

35 (1) ~~the department of local government finance;~~

36 ~~(A) (2) the circuit court clerk; and~~

37 ~~(B) (3) the office of the secretary of state.~~

38 (e) ~~The county A township~~ legislative body may not adopt an
39 ~~ordinance a resolution~~ ordering a merger after January 1 of a year in
40 which:

41 (1) a general election is held; and

42 (2) a township trustee is elected.

43 ~~(f) The county legislative body may not adopt an ordinance merging~~
44 ~~township governments less than one (1) year before the merger~~
45 ~~becomes effective:~~

46 ~~(g) (f)~~ A merger under this chapter may not reduce the term of a
47 township trustee of a former township government.

48 SECTION 13. IC 36-6-1.5-6, AS ADDED BY P.L.240-2005,
49 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
50 JULY 1, 2013]: Sec. 6. The merger becomes effective ~~when the~~

1 officers of the new township government are elected and qualified: on
 2 **January 1 of the year following the adoption of the resolution**
 3 **approving the merger of the townships.** An officer elected to
 4 represent the merged township government shall be considered to be
 5 a resident of the territory comprising the new township government
 6 unless the township merger is dissolved under IC 36-6-1.6.

7 SECTION 14. IC 36-6-1.5-12, AS AMENDED BY P.L.58-2011,
 8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2013]: Sec. 12. (a) Subject to subsection (b), the officers of
 10 the new township government shall:

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

13 (A) a budget;

14 (B) an ad valorem property tax levy; and

15 (C) a property tax rate;

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

17 (3) impose a property tax levy; and

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

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

22 (b) **The resolutions approving the township government merger**
 23 **under this chapter must specify the amount (if any) of the decrease**
 24 **that the department of local government finance shall establish criteria**
 25 **for making an adjustment make** to the maximum permissible property
 26 tax levies, maximum permissible property tax rates, and budgets under
 27 IC 6-1.1-17 and IC 6-1.1-18.5 **if of** the new township **realizes through**
 28 **a merger under this chapter a: to:**

29 (1) savings; or

30 (2) reduction in the reasonably foreseeable expenses that would
 31 otherwise have been incurred by the political subdivision if the
 32 merger had not taken place.

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

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

39 (c) The adjustment under subsection (b) must permit the new
 40 township to continue to:

41 (1) include in the township's budget part of the budgeted amounts
 42 that would otherwise be reduced by the department of local
 43 government finance on account of the realized savings or
 44 reduction in expenses that occurs because of the merger; and

45 (2) impose part of a property tax levy that would otherwise be
 46 reduced by the department of local government finance on
 47 account of the realized savings or reduction in expenses that
 48 occurs because of the merger.

49 (d) The additional amount that a political subdivision may continue
 50 to levy or include in the political subdivision's budget because of the

1 adjustment under subsection (b) may not exceed the result of:

2 (1) the savings or reduction in expenses realized in the first full
3 year of operation after the merger is implemented; as determined
4 by the department of local government finance; multiplied by

5 (2) a percentage determined as follows:

6 (A) Fifty percent (50%) in the first year of the adjustment:

7 (B) Fifty percent (50%) in the second year of the adjustment:

8 (C) Thirty percent (30%) in the third year of the adjustment:

9 (D) Ten percent (10%) in the fourth year of the adjustment and
10 thereafter.

11 (c) The fiscal body of the new township shall determine and certify
12 to the department of local government finance the amount of the
13 adjustment that the new township wishes to accept (if any) under this
14 section: **subsection (b). The amount of the adjustment (if any) to be
15 made under subsection (b) must comply with the resolutions
16 approving the township government merger.**

17 SECTION 15. IC 36-7-14-3.7 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: **Sec. 3.7. (a) As used in this section,
20 "development area" means a redevelopment project area,
21 economic development area, or urban renewal project area
22 established under this chapter.**

23 (b) **The jurisdiction and control over a development area
24 established by the redevelopment commission of a first
25 municipality may be transferred from that redevelopment
26 commission to the redevelopment commission of a second, adjacent
27 municipality if:**

28 (1) the owners of one hundred percent (100%) of the real
29 property in the development area consent to the transfer;

30 (2) the fiscal body of the first municipality and the fiscal body
31 of the second, adjacent municipality:

32 (A) adopt or have adopted:

33 (i) substantially similar ordinances; or

34 (ii) an interlocal agreement;

35 consenting to the transfer of the jurisdiction and control
36 over the development area; and

37 (B) agree or have agreed to transfer the geographic
38 territory comprising the development area from the first
39 municipality to the second, adjacent municipality through
40 disannexation, interlocal agreement, or any other legal
41 means;

42 (3) no tax increment from an allocation area within the
43 development area has been pledged for the payment of bonds
44 or the payment of lease rentals; and

45 (4) either the first municipality or the second, adjacent
46 municipality has before the date of the transfer completed a
47 reorganization under IC 36-1.5.

48 (c) **If the requirements of subsection (b) are satisfied:**

49 (1) the jurisdiction and control over the development area is
50 transferred without any other action required from the fiscal
51 bodies, the redevelopment commissions, or the plan

- 1 commissions of the municipalities or from any other state or
 2 local entity;
- 3 (2) the development area is thereafter part of the territory
 4 that is under the jurisdiction and control of the
 5 redevelopment commission of the second, adjacent
 6 municipality;
- 7 (3) the development area or the redevelopment plan may be
 8 altered or amended by the second, adjacent municipality and
 9 the redevelopment commission of the second, adjacent
 10 municipality as otherwise provided in this chapter; and
- 11 (4) any property taxes collected within the development area
 12 that were payable to the first municipality, to any taxing
 13 district of the first municipality, or to the redevelopment
 14 commission of the first municipality shall after the transfer be
 15 payable to the second, adjacent municipality, to the taxing
 16 districts of the second, adjacent municipality, or to the
 17 redevelopment commission of the second, adjacent
 18 municipality, as appropriate.
- 19 (d) If, before January 1, 2013, the redevelopment commission of
 20 the first municipality has entered into an agreement to reimburse
 21 a person or political subdivision for infrastructure improvements
 22 from tax increments from an allocation area within the
 23 development area, the obligation to make the reimbursement is
 24 transferred to the redevelopment commission of the second,
 25 adjacent municipality upon the effective date of the transfer of the
 26 jurisdiction and control over the development area.
- 27 (e) The authority to transfer the jurisdiction and control over a
 28 development area as provided in this section expires December 31,
 29 2013.
- 30 SECTION 16. IC 36-8-19-8.5, AS AMENDED BY P.L.47-2007,
 31 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 8.5. (a) Participating units may agree to
 33 establish an equipment replacement fund under this section to be used
 34 to purchase fire protection equipment, including housing, that will be
 35 used to serve the entire territory. To establish the fund, the legislative
 36 bodies of each participating unit must adopt an ordinance (if the unit
 37 is a county or municipality) or a resolution (if the unit is a township),
 38 **and that meets the following requirements must be met:**
- 39 (1) The ordinance or resolution is identical to the ordinances and
 40 resolutions adopted by the other participating units under this
 41 section.
- 42 ~~(2) The ordinance or resolution is adopted after January 1 but~~
 43 ~~before April 1.~~
- 44 **(2) Before adopting the ordinance or resolution, each**
 45 **participating unit must comply with the notice and hearing**
 46 **requirements of IC 6-1.1-41-3.**
- 47 (3) The ordinance or resolution authorizes the provider unit to
 48 establish the fund.
- 49 (4) The ordinance or resolution includes at least the following:
- 50 (A) The name of each participating unit and the provider unit.
- 51 (B) An agreement to impose a uniform tax rate upon all of the

1 taxable property within the territory for the equipment
2 replacement fund.

3 (C) The contents of the agreement to establish the fund.

4 An ordinance or a resolution adopted under this section takes effect
5 ~~July 1 of the year the ordinance or resolution is adopted.~~ **as provided**
6 **in IC 6-1.1-41.**

7 (b) If a fund is established, the participating units may agree to:

8 (1) impose a property tax to provide for the accumulation of
9 money in the fund to purchase fire protection equipment;

10 (2) incur debt to purchase fire protection equipment and impose
11 a property tax to retire the loan; or

12 (3) transfer an amount from the fire protection territory fund to
13 the fire equipment replacement fund not to exceed five percent

14 (5%) of the levy for the fire protection territory fund for that year;

15 or any combination of these options. The property tax rate for the levy
16 imposed under this section may not exceed three and thirty-three
17 hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed
18 value. Before debt may be incurred, the fiscal body of a participating
19 unit must adopt an ordinance (if the unit is a county or municipality) or
20 a resolution (if the unit is a township) that specifies the amount and
21 purpose of the debt. The ordinance or resolution must be identical to
22 the other ordinances and resolutions adopted by the participating units.
23 In addition, the department of local government finance must approve
24 the incurrence of the debt using the same standards as applied to the
25 incurrence of debt by civil taxing units.

26 (c) Money in the fund may be used by the provider unit only for
27 those purposes set forth in the agreement among the participating units
28 that permits the establishment of the fund.

29 **(d) The requirements and procedures specified in IC 6-1.1-41**
30 **concerning the establishment or reestablishment of a cumulative**
31 **fund, the imposing of a property tax for a cumulative fund, and the**
32 **increasing of a property tax rate for a cumulative fund apply to:**

33 **(1) the establishment or reestablishment of a fund under this**
34 **section;**

35 **(2) the imposing of a property tax for a fund under this**
36 **section; and**

37 **(3) the increasing of a property tax rate for a fund under this**
38 **section.**

39 **(e) Notwithstanding IC 6-1.1-18-12, if a fund established under**
40 **this section is reestablished in the manner provided in IC 6-1.1-41,**
41 **the property tax rate imposed for the fund in the first year after**
42 **the fund is reestablished may not exceed three and thirty-three**
43 **hundredths cents (\$0.0333) per one hundred dollars (\$100) of**
44 **assessed value.**

45 SECTION 17. An emergency is declared for this act.

(Reference is to ESB 459 as reprinted April 9, 2013.)

Conference Committee Report
on
Engrossed Senate Bill 459

Signed by:

Senator Miller Pete
Chairperson

Representative Steuerwald

Senator Young R

Representative Bartlett

Senate Conferees

House Conferees