

IC 36-6-1.5

Chapter 1.5. Merger of Township Governments

IC 36-6-1.5-1

Applicability

Sec. 1. This chapter does not apply to a township in a county containing a consolidated city.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-2

"Former township government"

Sec. 2. As used in this chapter, "former township government" means a township government that merges with at least one (1) other township government under this chapter.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-3

"New township government"

Sec. 3. As used in this chapter, "new township government" means the township government that results from the merger of at least two (2) township governments under this chapter.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-4

General requirements

Sec. 4. At least two (2) township governments may merge to form one (1) township government under this chapter, if:

- (1) the township governments are entirely located within the same county;
- (2) all the territory within the township governments is subject to the merger; and
- (3) each township whose government is subject to the merger is contiguous to at least one (1) other township whose government is subject to the merger.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-5

Identical resolutions and county ordinance required

Sec. 5. (a) The township trustees, with the approval of a majority of the members of the township legislative body of each township that wants to merge township governments under this chapter must comply with this section.

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

shall be published in accordance with IC 5-3-1.

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

(d) The county legislative body of the county where the township governments are located must:

- (1) adopt an ordinance ordering the merger; and
- (2) file a copy of the ordinance with:
 - (A) the circuit court clerk; and
 - (B) the office of the secretary of state.

(e) The county legislative body may not adopt an ordinance ordering a merger after January 1 of a year in which:

- (1) a general election is held; and
- (2) a township trustee is elected.

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

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

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-6

Merger effective upon election and qualification of officers

Sec. 6. The merger becomes effective when the officers of the new township government are elected and qualified. An officer elected to represent the merged township government shall be considered to be a resident of the territory comprising the new township government unless the township merger is dissolved under IC 36-6-1.6.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-7

Election of officers

Sec. 7. If township governments merge under this chapter:

- (1) IC 36-6-6 applies to the election of the township board; and
- (2) IC 36-6-5-1 applies to the election of a township assessor; of the new township government.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-8

Merger effective date; former township governments abolished; property, functions, and indebtedness transferred

Sec. 8. On the date a merger takes effect:

- (1) the former township governments are abolished as separate entities;
- (2) each township subject to the merger retains its geographical boundaries and its name;

- (3) the territory of the new township government includes all the territory that comprised the territories of the former township governments before the merger;
- (4) the agencies of the former township governments are abolished;
- (5) the functions of the abolished agencies are assigned to agencies of the new township government;
- (6) the:
 - (A) property;
 - (B) records;
 - (C) personnel;
 - (D) rights; and
 - (E) liabilities;related to the functions of the abolished agencies are assigned to agencies of the new township government; and
- (7) any bonds and other indebtedness of, or assumed by, the former township governments are transferred to the new township government.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-9

Provisions concerning state and federal licensing, rules, regulations, and governmental assistance

Sec. 9. Upon the corporate dissolution of a township government under this article, the following apply for purposes of all state and federal licensing and regulatory laws, statutory entitlements, gifts, grants-in-aid, governmental loans, or other governmental assistance under state or federal statutes, rules, or regulations:

- (1) The entire geographic area and population of a new township government that is established under this chapter shall be used when calculating and determining the distribution basis for the following:
 - (A) State or federal government statutory entitlements.
 - (B) Gifts.
 - (C) Grants-in-aid.
 - (D) Loans.
 - (E) Any form of governmental assistance that is not listed in this subdivision.
- (2) Following a public hearing for which notice is published in accordance with IC 5-3-1 at least thirty (30) days before the public hearing takes place, the executive of a new township government that is established under this chapter shall determine and designate to the appropriate state or federal agency the:
 - (A) geographic areas;
 - (B) parts of roads;
 - (C) segments of population; or
 - (D) combinations of the items listed in clauses (A) through (C);that constitute rural or urban areas, roads, or populations, if this

designation was previously required of any township that merges under this chapter.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-10

Resolutions, rules, and bylaws of former township governments continue

Sec. 10. When a new township government is established under this chapter, the following occur:

(1) The resolutions, rules, and bylaws of each of the former township governments:

(A) remain in force within the territory to which they applied before the merger; and

(B) continue in force until amended or repealed by the legislative body or an administrative body of the new township government.

(2) Pending actions that involve any former township government shall be prosecuted to final judgment and execution, and judgments rendered in those actions may be executed and enforced against the new township government without any change of the name of the plaintiff or defendant.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-11

Transfer of funds to new township government

Sec. 11. (a) On the date the formation of a new township government takes effect, all money in the funds of each of the former township governments is transferred to the new township government. The new township government:

(1) shall deposit the money in its funds that most closely correspond to the funds of the former township governments; and

(2) may use the money to pay its operational and capital costs for the balance of the calendar year.

(b) After the date the formation of a new township government takes effect, the new township government is entitled to receive all distributions of taxes and other revenue that would have been made to the former township governments if the merger had not occurred. The new township government shall deposit the money in its funds that correspond most closely to the funds of the former township governments into which the taxes or other revenue would have been deposited if the merger had not occurred.

As added by P.L.240-2005, SEC.3.

IC 36-6-1.5-12

Budget, levy, and tax rate of new township; savings; adjustments

Sec. 12. (a) Subject to subsection (b), the officers of the new township government shall:

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

- (A) a budget;
- (B) an ad valorem property tax levy; and
- (C) a property tax rate;
- (2) fix the annual budget under IC 6-1.1-17;
- (3) impose a property tax levy; and
- (4) take any action necessary to ensure the collection of fees and other revenue;

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

(b) The department of local government finance shall establish criteria for making an adjustment to the maximum permissible property tax levies, maximum permissible property tax rates, and budgets under IC 6-1.1-17 and IC 6-1.1-18.5 if the new township realizes through a merger under this chapter a:

- (1) savings; or
- (2) reduction in the reasonably foreseeable expenses that would otherwise have been incurred by the political subdivision if the merger had not taken place.

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

- (1) include in the township's budget part of the budgeted amounts that would otherwise be reduced by the department of local government finance on account of the realized savings or reduction in expenses that occurs because of the merger; and
- (2) impose part of a property tax levy that would otherwise be reduced by the department of local government finance on account of the realized savings or reduction in expenses that occurs because of the merger.

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

- (1) the savings or reduction in expenses realized in the first full year of operation after the merger is implemented, as determined by the department of local government finance; multiplied by
- (2) a percentage determined as follows:
 - (A) Fifty percent (50%) in the first year of the adjustment.
 - (B) Fifty percent (50%) in the second year of the adjustment.
 - (C) Thirty percent (30%) in the third year of the adjustment.
 - (D) Ten percent (10%) in the fourth year of the adjustment and thereafter.

The fiscal body of the new township shall determine and certify to the department of local government finance the amount of the adjustment that the new township wishes to accept under this section. *As added by P.L.240-2005, SEC.3. Amended by P.L.58-2011, SEC.4.*