

Tools for Local Government Efficiency and Effectiveness

IACIR

December 1, 2015

Government Modernization Statute (IC 36-1.5)

- Passed in 2006
 - Proposed by Daniels Administration
 - Allows voluntary consolidation of units and services
 - Was intended to provide maximum flexibility
- In late 2007, Kernan-Shepard recommended the expansion of voluntary coordination and consolidation of gov't units and services. Strengthen the power of voters to compel consolidation.

Government Modernization Statute (IC 36-1.5)

- IACIR studies in Fall 2008
 - At that point, only one consolidation had occurred. Several additional were being considered.

Government Modernization Statute (IC 36-1.5) – IACIR Conclusions

- An unlimited set of government structures could be difficult for citizens to understand and state and local govt to manage
- Statute didn't allow consolidation of townships across county lines
- Consolidation is inherently difficult. Statutory process was onerous
- Statute allows setting of super majorities to pass

Government Modernization Statute (IC 36-1.5) – IACIR Conclusions

- Local legislative body could stop process started by citizens
- Local official could appoint persons hostile to consolidation to reorg committee
- The statutory and legal limits to structural and service flexibility are unclear
- Issues when consolidating units are of different types, creates conflict with non-participating units

Government Modernization Statute (IC 36-1.5) – IACIR Conclusions

- Limited detail about the ability to set differential service districts and tax rates
- Potential loss of fiscal resources could be a deterrent
- Unclear how new fused units fit into state systems, i.e., tax distribution etc.
- Suggested creating explicit incentives
- Uncertainty associated with upcoming Kernan-Shepard reforms

Government Modernization Statute (IC 36-1.5) – 2010 Amendments

- HB 1086; PL 113
 - Technical adjustment of Zionsville effective date
 - Require posting reorg plan on website
 - Include in plan a statement about whether a fiscal plan had been prepared and made available to the public
 - Public question prohibited in primary elections
 - County-municipal consolidations must appear in a general election

Government Modernization Statute (IC 36-1.5) – 2011 and 2012 Amendments

- 2011 (SB 26; PL 58)
 - Clarifies the savings local governments could keep and declining schedule.
- 2012 (HB 1058; PL 26)
 - Adjusted publishing schedule for budgeting for a consolidated school district (merger of Rockville and Turkey Run school districts)

Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

- SB 459; PL 255
 - Must put savings in reorg plan
 - Allows fire territory to continue upon merger, allows an equipment replacement funds
 - Allows a merger to become effective less than a year after passed

Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

- SB 343; PL 202
 - Eliminated the reorganization committee
 - Require reorganization plan to include a fiscal analysis with particular elements
 - Fiscal impact analysis must estimate the effects on affected external units.
 - Fiscal plan submitted to the DLGF
 - Tasked County Election Board with developing the public question language, which must include a brief description of the reorganized political subdivision.

Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

- SB 343; PL 202 (cont.)
 - Public question language submitted to DLGF
 - Requires an approval threshold for a municipal-township and county-municipal reorgs for pieces and total included area.
 - Limits approval thresholds to 55%
 - Provides a process for rescinding a reorg plan
 - Enables varied service districts and tax rates

Government Modernization Statute (IC 36-1.5) – 2013 Amendments- BIG YEAR

- SB 343;PL 202 (cont.)
 - Enables parks board and planning commission and establish boards with additional membership
 - Adoption of reorg plan freezes ability to of other units to annex, establish a fire territory or service district, extend water and sewer, and extend 2-mile fringe
 - Units cannot use public resources to promote a position on the public question.
 - Local governments can maintain the characteristics of any of the reorganizing units

Government Modernization Statute (IC 36-1.5) – 2013 (and 2015) Amendments- BIG YEAR

- SB 518; PL 194
- HB 1157; PL 219
 - Additional updates to public question processes
- 2015 (HB 1139; PL 216)
 - Small change to public question process

Government Modernization Statute (IC 36-1.5) – Summary

- Many IACIR “conclusion” addressed
- Other updates address transparency and fairness

Government Modernization Statute (IC 36-1.5) – Successes

- Town of Zionsville/Eagle Twp/Union Twp (effective Jan 1, 2010)
- Added Perry Twp in June 2015. Being challenged by Whitestown before the Indiana Supreme Ct.
- Rockville and Turkey Run school districts merged to form North Central Parke Community Schools (effective Jan 1, 2013)
- Yorktown and Mt. Pleasant Twp (effective Jan 1, 2013)

Government Modernization Statute (IC 36-1.5) – Failures

- Fishers/Fall Creek Twp
- Evansville/Vanderburgh County
- Muncie/Delaware County
- Whitestown/Worth Twp
- 2 sets of three township in Howard County
- Brownsburg/Brown and Lincoln Twps
- Greenwood/White River Twp

Government Modernization Statute (IC 36-1.5) – Failures (cont.)

- Eastern Allen County communities (municipalities and twps.)
- Ft. Wayne/Allen County
- Several Marion County twp fire departments
- Avon/Washington Twp

Government Modernization Statute (IC 36-1.5) – Conclusions

- No successful consolidations since 2013 “fixes.”
- Still very difficult process
- Consolidating representation is difficult; consolidating services easier
- Flexibility can create challenges
- Limited the natural incentive: retain savings to use on other priorities
- Still issues for non-participating units.