

Requirements for Municipal/Township Streamlined Mergers

Overview

House Bill 153 of the 129th General Assembly added a new process for local governments seeking to merge together to form a single lower cost government. This process applies to cities or municipalities proposing to merge with or into townships. It also applies to cities or villages proposing to merge with other cities and villages. This process is a more streamlined version of an older method, which required the formation of a “Commission” to study the feasibility of a merger. Both methods are still allowed and each local government should choose which method would best suit their needs. The newer, streamlined approach allows communities to cut through the red tape faster and allows a less cumbersome process.

For the new streamlined process, the legislative authorities of each local government wanting to merge must pass a resolution or ordinance proposing a merger by a two-thirds vote. No election of a commission to study and statement of conditions for merger is required.

After passing the proposal, the legislative authorities of the local governments proposing to merge have one hundred twenty (120) days to enter into a merger agreement specifying the conditions. Each local government must pass the conditions by a simple majority vote of their respective legislative authorities.

At the minimum, the proposed merger agreement must include:

- The names of local governments participating in the merger;
- The territorial boundaries of the merged entity;
- The date the merger will take effect;
- A procedure for the transition; and
- A transition plan and schedule.

The legislative authorities will submit the question of whether a merger should be approved to the citizens of each affected local government. If the merger is approved by a majority of those voting in each local government, the merger will take effect immediately upon certification of the vote.

It is important to note that if the charter of a municipal corporation proposed for merger under this process conflicts with the outlined procedures, the charter’s processes and procedures for merger take precedence. Also, please note, this process does not apply to mergers with county governments.

Any political subdivision wanting to explore the possibility of the new streamlined merger process should consult legal counsel to ensure that all necessary issues are addressed.