

HOUSE BILL No. 1237

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-4-3.

Synopsis: Annexation. Allows a town to annex: (1) a noncontiguous residential development; and (2) the right-of-way of a public highway connecting the development to the city. Provides that annexation is initiated by: (1) the filing of a petition requesting annexation by the owner of the residential development; and (2) the town legislative body adopting a resolution approving initiation of the annexation process. Requires the town to satisfy statutory requirements for annexation, including adopting a written fiscal plan and annexation ordinance.

Effective: July 1, 2024.

Abbott, Soliday

January 9, 2024, read first time and referred to Committee on Local Government.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1237

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:

1 SECTION 1. IC 36-4-3-1.7, AS AMENDED BY P.L.70-2022,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 1.7. (a) This section applies only to an annexation
4 ordinance adopted after June 30, 2015. This section does not apply to
5 an annexation under section 5.1 **or 5.3** of this chapter.

6 (b) Not earlier than six (6) months before a municipality introduces
7 an annexation ordinance, the municipality shall conduct an outreach
8 program to inform citizens regarding the proposed annexation. For an
9 annexation under section 3 or 4 of this chapter, the outreach program
10 must conduct at least six (6) public information meetings regarding the
11 proposed annexation. For an annexation under section 5 or 5.2 of this
12 chapter, the outreach program must conduct at least three (3) public
13 information meetings regarding the proposed annexation. The public
14 information meetings must provide citizens with the following
15 information:

- 16 (1) Maps showing the proposed boundaries of the annexation
17 territory.



1 (2) Proposed plans for extension of capital and noncapital
 2 services in the annexation territory, including proposed dates of
 3 extension. In the case of an annexation under section 5.2 of this
 4 chapter, a copy of the preliminary written fiscal plan.

5 (3) Expected fiscal impact on taxpayers in the annexation
 6 territory, including any increase in taxes and fees.

7 (c) The municipality shall provide notice of the dates, times, and
 8 locations of the outreach program meetings. The municipality shall
 9 publish the notice of the meetings under IC 5-3-1, including the date,
 10 time, and location of the meetings, except that notice must be published
 11 not later than thirty (30) days before the date of each meeting. The
 12 municipality shall also send notice to each owner of land within the
 13 annexation territory not later than thirty (30) days before the date of the
 14 first meeting of the outreach program. The notice to landowners shall
 15 be sent by first class mail, certified mail with return receipt requested,
 16 or any other means of delivery that includes a return receipt and must
 17 include the following information:

18 (1) The notice must inform the landowner that the municipality is
 19 proposing to annex territory that includes the landowner's
 20 property.

21 (2) The municipality is conducting an outreach program for the
 22 purpose of providing information to landowners and the public
 23 regarding the proposed annexation.

24 (3) The date, time, and location of the meetings to be conducted
 25 under the outreach program.

26 (d) The notice shall be sent to the address of the landowner as listed
 27 on the tax duplicate. If the municipality provides evidence that the
 28 notice was sent:

29 (1) by certified mail, with return receipt requested or any other
 30 means of delivery that includes a return receipt; and

31 (2) in accordance with this section;

32 it is not necessary that the landowner accept receipt of the notice. If a
 33 remonstrance is filed under section 11 of this chapter, the municipality
 34 shall file with the court proof that notices were sent to landowners
 35 under this section and proof of publication.

36 (e) The notice required under this section is in addition to any notice
 37 required under sections 2.1 and 2.2 of this chapter.

38 SECTION 2. IC 36-4-3-2.1, AS AMENDED BY P.L.70-2022,
 39 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2024]: Sec. 2.1. (a) This section does not apply to an
 41 annexation under section 5.1, ~~or~~ 5.2, ~~or~~ 5.3 of this chapter.

42 (b) A municipality may adopt an ordinance under this chapter only



1 after the legislative body has held a public hearing concerning the
 2 proposed annexation. The municipality shall hold the public hearing
 3 not earlier than sixty (60) days after the date the ordinance is
 4 introduced. All interested parties must have the opportunity to testify
 5 as to the proposed annexation. Except as provided in subsection (d),
 6 notice of the hearing shall be:

- 7 (1) published in accordance with IC 5-3-1 except that the notice
 8 shall be published at least sixty (60) days before the hearing; and
 9 (2) mailed as set forth in section 2.2 of this chapter, if section 2.2
 10 of this chapter applies to the annexation.

11 (c) A municipality may adopt an ordinance under this chapter not
 12 earlier than thirty (30) days or not later than sixty (60) days after the
 13 legislative body has held the public hearing under subsection (b).

14 (d) This subsection applies to an annexation under section 3 or 4 of
 15 this chapter in which all property owners within the area to be annexed
 16 provide written consent to the annexation. Notice of the hearing shall
 17 be:

- 18 (1) published one (1) time at least twenty (20) days before the
 19 hearing in accordance with IC 5-3-1; and
 20 (2) mailed as set forth in section 2.2 of this chapter.

21 SECTION 3. IC 36-4-3-2.2, AS AMENDED BY P.L.70-2022,
 22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2024]: Sec. 2.2. (a) This section does not apply to an
 24 annexation under section 4(a)(2), 4(a)(3), 4(b), or 4(h) of this chapter
 25 or an annexation described in section 5.1 **or 5.3** of this chapter.

26 (b) Before a municipality may annex territory, the municipality shall
 27 provide written notice of the hearing required under section 2.1 of this
 28 chapter. Except as provided in subsections (f) and (g), the notice must
 29 be sent by:

- 30 (1) certified mail, return receipt requested; or
 31 (2) any other means of delivery that includes a return receipt;

32 at least sixty (60) days before the date of the hearing to each owner of
 33 real property, as shown on the county auditor's current tax list, whose
 34 real property is located within the territory proposed to be annexed.

35 (c) For purposes of an annexation of territory described in section
 36 2.5 of this chapter, if the hearing required under section 2.1 of this
 37 chapter is conducted after June 30, 2010, the notice required by this
 38 section must also be sent to each owner of real property, as shown on
 39 the county auditor's current tax list, whose real property is adjacent to
 40 contiguous areas of rights-of-way of the public highway that are only
 41 included in the annexation of territory by operation of section 2.5 of
 42 this chapter on the side of the public highway that is not part of the



- 1 annexed territory.
- 2 (d) The notice required by this section must include the following:
- 3 (1) A legal description of the real property proposed to be
- 4 annexed.
- 5 (2) The date, time, location, and subject of the hearing.
- 6 (3) A map showing the current municipal boundaries and the
- 7 proposed municipal boundaries.
- 8 (4) Current zoning classifications for the area proposed to be
- 9 annexed and any proposed zoning changes for the area proposed
- 10 to be annexed.
- 11 (5) A detailed summary of the fiscal plan, described in section 13
- 12 of this chapter, if applicable.
- 13 (6) The location where the public may inspect and copy the fiscal
- 14 plan, if applicable.
- 15 (7) A statement that the municipality will provide a copy of the
- 16 fiscal plan, if applicable, after the fiscal plan is adopted
- 17 immediately to any landowner in the annexed territory who
- 18 requests a copy.
- 19 (8) The name and telephone number of a representative of the
- 20 municipality who may be contacted for further information.
- 21 (e) If the municipality complies with this section, the notice is not
- 22 invalidated if the owner does not receive the notice.
- 23 (f) This subsection applies to an annexation under section 3 or 4 of
- 24 this chapter in which all property owners within the area to be annexed
- 25 provide written consent to the annexation. The written notice described
- 26 in this section must be sent by:
- 27 (1) certified mail, return receipt requested; or
- 28 (2) any other means of delivery that includes a return receipt;
- 29 not later than twenty (20) days before the date of the hearing to each
- 30 owner of real property, as shown on the county auditor's current tax list,
- 31 whose real property is located within the territory proposed to be
- 32 annexed.
- 33 (g) This subsection applies to an annexation under section 5.2 of
- 34 this chapter. The written notice described in this section must be sent
- 35 by:
- 36 (1) certified mail, return receipt requested; or
- 37 (2) any other means of delivery that includes a return receipt;
- 38 not later than thirty (30) days before the date of the hearing to each
- 39 owner of real property, as shown on the county auditor's current tax list,
- 40 whose real property is located within the territory proposed to be
- 41 annexed.
- 42 SECTION 4. IC 36-4-3-3.1, AS AMENDED BY P.L.70-2022,



1 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2024]: Sec. 3.1. (a) This section does not apply to an
3 annexation under section 4(a)(2), 4(a)(3), 4(b), 4(h), or 4.1 of this
4 chapter.

5 (b) A municipality shall develop and adopt a written fiscal plan and
6 establish a definite policy by resolution of the legislative body that
7 meets the requirements set forth in section 13 of this chapter.

8 (c) Except as provided in subsection (d) and section 5.2 of this
9 chapter, the municipality shall establish and adopt the written fiscal
10 plan before mailing the notification to landowners in the territory
11 proposed to be annexed under section 2.2 of this chapter.

12 (d) In an annexation under section 5, ~~or 5.1~~, **or 5.3** of this chapter,
13 the municipality shall establish and adopt the written fiscal plan before
14 adopting the annexation ordinance.

15 SECTION 5. IC 36-4-3-4, AS AMENDED BY P.L.105-2022,
16 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2024]: Sec. 4. (a) The legislative body of a municipality may,
18 by ordinance, annex any of the following:

19 (1) Territory that is contiguous to the municipality.

20 (2) Territory that is not contiguous to the municipality and is
21 occupied by a municipally owned or operated as either of the
22 following:

23 (A) An airport or landing field.

24 (B) A wastewater treatment facility or water treatment facility.
25 After a municipality annexes territory under this clause, the
26 municipality may annex additional territory to enlarge the
27 territory for the use of the wastewater treatment facility or
28 water treatment facility only if the county legislative body
29 approves that use of the additional territory by ordinance.

30 (3) Territory that is not contiguous to the municipality but is
31 found by the legislative body to be occupied by:

32 (A) a municipally owned or regulated sanitary landfill, golf
33 course, or hospital;

34 (B) a police station of the municipality; or

35 (C) a solar electric generating facility that is or will be
36 interconnected to an electric utility owned by the municipality.

37 However, if territory annexed under subdivision (2) or (3) ceases to be
38 used for the purpose for which the territory was annexed for at least
39 one (1) year, the territory reverts to the jurisdiction of the unit having
40 jurisdiction before the annexation if the unit that had jurisdiction over
41 the territory still exists. If the unit no longer exists, the territory reverts
42 to the jurisdiction of the unit that would currently have jurisdiction over



1 the territory if the annexation had not occurred. The clerk of the
2 municipality shall notify the offices required to receive notice of a
3 disannexation under section 19 of this chapter when the territory
4 reverts to the jurisdiction of the unit having jurisdiction before the
5 annexation. Territory that is annexed under subdivision (2) (including
6 territory that is enlarged under subdivision (2)(B) for the use of the
7 wastewater treatment facility or water treatment facility) or subdivision
8 (3) may not be considered a part of the municipality for purposes of
9 annexing additional territory.

10 (b) This subsection applies to municipalities in any of the following
11 counties:

12 (1) A county having a population of more than sixty-six thousand
13 six hundred (66,600) and less than seventy thousand (70,000).

14 (2) A county having a population of more than eighty-two
15 thousand (82,000) and less than eighty-three thousand (83,000).

16 (3) A county having a population of more than eighty thousand
17 four hundred (80,400) and less than eighty-two thousand
18 (82,000).

19 (4) A county having a population of more than forty-six thousand
20 (46,000) and less than forty-six thousand four hundred (46,400).

21 (5) A county having a population of more than thirty-seven
22 thousand (37,000) and less than thirty-seven thousand nine
23 hundred (37,900).

24 (6) A county having a population of more than thirty-six thousand
25 five hundred (36,500) and less than thirty-six thousand seven
26 hundred (36,700).

27 (7) A county having a population of more than thirty-two
28 thousand (32,000) and less than thirty-three thousand (33,000).

29 (8) A county having a population of more than twenty-three
30 thousand (23,000) and less than twenty-three thousand three
31 hundred seventy-five (23,375).

32 (9) A county having a population of more than two hundred
33 thousand (200,000) and less than two hundred fifty thousand
34 (250,000).

35 (10) A county having a population of more than two hundred fifty
36 thousand (250,000) and less than three hundred thousand
37 (300,000).

38 (11) A county having a population of more than thirty thousand
39 nine hundred (30,900) and less than thirty-two thousand (32,000).

40 (12) A county having a population of more than eighty thousand
41 (80,000) and less than eighty thousand four hundred (80,400).

42 Except as provided in subsection (c), the legislative body of a



1 municipality to which this subsection applies may, by ordinance, annex
 2 territory that is not contiguous to the municipality, has its entire area
 3 not more than two (2) miles from the municipality's boundary, is to be
 4 used for an industrial park containing one (1) or more businesses, and
 5 is either owned by the municipality or by a property owner who
 6 consents to the annexation. However, if territory annexed under this
 7 subsection is not used as an industrial park within five (5) years after
 8 the date of passage of the annexation ordinance, or if the territory
 9 ceases to be used as an industrial park for at least one (1) year, the
 10 territory reverts to the jurisdiction of the unit having jurisdiction before
 11 the annexation if the unit that had jurisdiction over the territory still
 12 exists. If the unit no longer exists, the territory reverts to the
 13 jurisdiction of the unit that would currently have jurisdiction over the
 14 territory if the annexation had not occurred. The clerk of the
 15 municipality shall notify the offices entitled to receive notice of a
 16 disannexation under section 19 of this chapter when the territory
 17 reverts to the jurisdiction of the unit having jurisdiction before the
 18 annexation.

19 (c) A city in a county with a population of more than two hundred
 20 fifty thousand (250,000) and less than three hundred thousand
 21 (300,000) may not annex territory as prescribed in subsection (b) until
 22 the territory is zoned by the county for industrial purposes.

23 (d) Notwithstanding any other law, territory that is annexed under
 24 subsection (b) or (h) is not considered a part of the municipality for the
 25 purposes of:

26 (1) annexing additional territory:

27 (A) in a county that is not described by clause (B); or

28 (B) in a county having a population of more than two hundred
 29 fifty thousand (250,000) and less than three hundred thousand
 30 (300,000), unless the boundaries of the noncontiguous territory
 31 become contiguous to the city, as allowed by Indiana law;

32 (2) expanding the municipality's extraterritorial jurisdictional
 33 area; or

34 (3) changing an assigned service area under IC 8-1-2.3-6(1).

35 (e) As used in this section, "airport" and "landing field" have the
 36 meanings prescribed by IC 8-22-1.

37 (f) As used in this section, "hospital" has the meaning prescribed by
 38 IC 16-18-2-179(b).

39 (g) An ordinance adopted under this section must assign the
 40 territory annexed by the ordinance to at least one (1) municipal
 41 legislative body district.

42 (h) This subsection applies to a city having a population of more



1 than twenty-eight thousand (28,000) and less than twenty-nine
 2 thousand (29,000). The city legislative body may, by ordinance, annex
 3 territory that:

- 4 (1) is not contiguous to the city;
 5 (2) has its entire area not more than eight (8) miles from the city's
 6 boundary;
 7 (3) does not extend more than:
 8 (A) one and one-half (1 1/2) miles to the west;
 9 (B) three-fourths (3/4) mile to the east;
 10 (C) one-half (1/2) mile to the north; or
 11 (D) one-half (1/2) mile to the south;
 12 of an interchange of an interstate highway (as designated by the
 13 federal highway authorities) and a state highway (as designated
 14 by the state highway authorities); and
 15 (4) is owned by the city or by a property owner that consents to
 16 the annexation.

17 (i) This subsection applies to a city having a population of more
 18 than thirty-four thousand (34,000) and less than thirty-four thousand
 19 five hundred (34,500). The city legislative body may, by ordinance,
 20 annex territory under section 5.1 of this chapter:

- 21 (1) that is not contiguous to the city;
 22 (2) that is south of the southernmost boundary of the city;
 23 (3) the entire area of which is not more than four (4) miles from
 24 the city's boundary; and
 25 (4) that does not extend more than one (1) mile to the east of a
 26 state highway (as designated by the state highway authorities).

27 Territory annexed under this subsection is not considered a part of the
 28 city for purposes of annexation of additional territory. A city may not
 29 require connection to a sewer installed to provide service to territory
 30 annexed under this subsection.

31 (j) A third class city may annex a residential development under
 32 section 5.2 of this chapter that is not contiguous to the city. **A town
 33 may annex a residential development under section 5.3 of this
 34 chapter that is not contiguous to the town.**

35 SECTION 6. IC 36-4-3-5.3 IS ADDED TO THE INDIANA CODE
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2024]: **Sec. 5.3. (a) As used in this section, "residential
 38 development" means a parcel of land that is subdivided or will be
 39 subdivided into:**

- 40 **(1) lots, parcels, tracts, units, or interests that:**
 41 **(A) include an existing Class 2 structure (as defined in**
 42 **IC 22-12-1-5); or**



- 1 **(B) are designated for the construction of a Class 2**
 2 **structure;**
 3 **each of which is encumbered by substantively identical**
 4 **restrictive covenants concerning one (1) or more servient**
 5 **estates located within the boundaries of the original undivided**
 6 **parcel, or other governing document of record;**
 7 **(2) lots, parcels, tracts, units, or interests that:**
 8 **(A) include an existing Class 1 structure (as defined in**
 9 **IC 22-12-1-4); or**
 10 **(B) are designated for the construction of a Class 1**
 11 **structure; and**
 12 **(3) a common area.**
 13 **(b) In addition to annexing territory under section 3, 4, 5, or 5.1**
 14 **of this chapter, a town may annex a residential development that**
 15 **is not contiguous to the town, if all of the following are satisfied:**
 16 **(1) At least fifty (50) proposed single family lots and sixty (60)**
 17 **proposed multi-family lots will be within the residential**
 18 **development.**
 19 **(2) The nearest boundary of the residential development is at**
 20 **least one and six-tenths (1.6) miles and not more than two and**
 21 **six-tenths (2.6) miles outside the town's corporate boundaries.**
 22 **(3) Upon construction, the residential development dwellings**
 23 **will be connected to the:**
 24 **(A) water service of the town; and**
 25 **(B) sewer service of the town or a regional sewer district**
 26 **established under IC 13-26.**
 27 **(4) The residential development includes a commercial area**
 28 **containing or proposed to contain buildings intended to be**
 29 **used and operated for commercial purposes.**
 30 **(5) The residential development that connects the residential**
 31 **development to the corporate limits of the city is adjacent to**
 32 **the public highway right-of-way which is part of the state**
 33 **highway system (as defined in IC 8-23-1-40).**
 34 **(6) The annexation territory includes only the public highway**
 35 **right-of-way and the residential development.**
 36 **(7) The aggregate external boundary of the annexation**
 37 **territory that coincides with the boundary of the municipality**
 38 **is greater than zero (0).**
 39 **(c) The owner of the property that is the site of the residential**
 40 **development may file a petition with the legislative body of the**
 41 **town requesting the town to annex all of the property that**
 42 **comprises the residential development site. The annexation may**



1 proceed only if the town adopts a resolution approving the
 2 initiation of the annexation process not more than sixty (60) days
 3 after the petition is filed. If the town does not adopt a resolution
 4 within the sixty (60) day period, the petition is void.

5 (d) If the town legislative body adopts a resolution approving
 6 initiation of the annexation, the town shall prepare a written
 7 preliminary fiscal plan that must be made available to the public
 8 by posting the fiscal plan and any revisions to the fiscal plan on the
 9 town's website. Before adopting the annexation ordinance, the
 10 town legislative body shall adopt a written fiscal plan by resolution
 11 that incorporates any revisions made to the preliminary fiscal plan.

12 (e) The town shall hold a public hearing not earlier than thirty
 13 (30) days after the date the annexation ordinance is introduced. All
 14 interested parties must have the opportunity to testify as to the
 15 proposed annexation. Notice of the hearing shall be published in
 16 accordance with IC 5-3-1 except that the notice shall be published
 17 at least thirty (30) days before the hearing. The town may adopt an
 18 ordinance not earlier than thirty (30) days or not later than sixty
 19 (60) days after the town legislative body has held the public hearing
 20 under this subsection.

21 (f) Territory annexed under this section may not be considered
 22 a part of the town for purposes of annexing additional territory
 23 under section 3 or 4 of this chapter. However, territory annexed
 24 under this chapter shall be considered a part of the town for
 25 purposes of annexing additional territory under section 5 or 5.1 of
 26 this chapter.

27 (g) For purposes of an annexation under this section:

28 (1) section 1.5 of this chapter does not apply; and

29 (2) the landowner of the public highway right-of-way that is
 30 part of the state highway system (as defined in IC 8-23-1-40)
 31 is considered to be the state of Indiana.

32 (h) An annexation ordinance adopted under this section takes
 33 effect not less than thirty (30) days after the adoption of the
 34 ordinance and upon the filing and recording of the ordinance
 35 under section 22 of this chapter.

36 SECTION 7. IC 36-4-3-7, AS AMENDED BY P.L.105-2022,
 37 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2024]: Sec. 7. (a) After an ordinance is adopted under section
 39 3, 4, 5, 5.1, ~~or~~ 5.2, ~~or~~ 5.3 of this chapter, it must be published in the
 40 manner prescribed by IC 5-3-1. Except as provided in subsection (b),
 41 (c), ~~or~~ (e), ~~or~~ (f), in the absence of remonstrance and appeal under
 42 section 11 or 15.5 of this chapter, the ordinance takes effect at least



1 ninety (90) days after its publication and upon the filing required by
2 section 22(a) of this chapter.

- 3 (b) For the purposes of this section, territory that has been:
- 4 (1) added to an existing fire protection district under
- 5 IC 36-8-11-11; or
- 6 (2) approved by ordinance of the county legislative body to be
- 7 added to an existing fire protection district under IC 36-8-11-11,
- 8 notwithstanding that the territory's addition to the fire protection
- 9 district has not yet taken effect;

10 shall be considered a part of the fire protection district as of the date
11 that the fire protection district was originally established.

12 (c) This subsection applies only to a fire protection district
13 established after July 1, 1987. This subsection does not apply to an
14 annexation under subsection (g). Whenever a municipality annexes
15 territory, all or part of which lies within a fire protection district (IC
16 36-8-11), the annexation ordinance (in the absence of remonstrance
17 and appeal under section 11 or 15.5 of this chapter) takes effect the
18 second January 1 that follows the date the ordinance is adopted and
19 upon the filing required by section 22(a) of this chapter. The
20 municipality shall:

- 21 (1) provide fire protection to that territory beginning the date the
- 22 ordinance is effective; and
- 23 (2) send written notice to the fire protection district of the date the
- 24 municipality will begin to provide fire protection to the annexed
- 25 territory within ten (10) days of the date the ordinance is adopted.

26 (d) This subsection applies only to a fire protection district
27 established after July 1, 1987. This subsection does not apply to an
28 annexation under subsection (g). If the fire protection district from
29 which a municipality annexes territory is indebted or has outstanding
30 unpaid bonds or other obligations at the time the annexation is
31 effective, the municipality is liable for and shall pay that indebtedness
32 in the same ratio as the assessed valuation of the property in the
33 annexed territory (that is part of the fire protection district) bears to the
34 assessed valuation of all property in the fire protection district, as
35 shown by the most recent assessment for taxation before the
36 annexation, unless the assessed property within the municipality is
37 already liable for the indebtedness. The annexing municipality shall
38 pay its indebtedness under this section to the board of fire trustees. If
39 the indebtedness consists of outstanding unpaid bonds or notes of the
40 fire protection district, the payments to the board of fire trustees shall
41 be made as the principal or interest on the bonds or notes becomes due.

42 (e) This subsection applies to an annexation initiated by property



1 owners under section 5.1 of this chapter in which all property owners
 2 within the area to be annexed petition the municipality to be annexed.
 3 Subject to subsection (c), and in the absence of an appeal under section
 4 15.5 of this chapter, an annexation ordinance takes effect at least thirty
 5 (30) days after its publication and upon the filing required by section
 6 22(a) of this chapter.

7 **(f) This subsection applies to an annexation initiated by a**
 8 **property owner under section 5.3 of this chapter. Subject to**
 9 **subsection (c), an annexation ordinance takes effect at least thirty**
 10 **(30) days after the ordinance's publication and upon the filing**
 11 **required by section 22(a) of this chapter.**

12 **(g)** Whenever a municipality annexes territory that lies within a
 13 fire protection district that has a total net assessed value (as determined
 14 by the county auditor) of more than one billion dollars
 15 (\$1,000,000,000) on the date the annexation ordinance is adopted:

- 16 (1) the annexed area shall remain a part of the fire protection
- 17 district after the annexation takes effect; and
- 18 (2) the fire protection district shall continue to provide fire
- 19 protection services to the annexed area.

20 The municipality shall not tax the annexed territory for fire protection
 21 services. The annexing municipality shall establish a special fire fund
 22 for all fire protection services that are provided by the municipality
 23 within the area of the municipality that is not within the fire protection
 24 district, and which shall not be assessed to the annexed special taxing
 25 district. The annexed territory that lies within the fire protection district
 26 shall continue to be part of the fire protection district special taxing
 27 district.

28 SECTION 8. IC 36-4-3-7.2, AS ADDED BY P.L.23-2022,
 29 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2024]: Sec. 7.2. (a) This section applies to an annexation that
 31 satisfies all of the following:

- 32 (1) The annexation ordinance is adopted after December 31,
- 33 2020.
- 34 (2) The annexation is initiated by property owners under section
- 35 5.1 of this chapter in which all property owners within the
- 36 annexation territory petition the municipality to be annexed.
- 37 (3) All or part of the annexation territory is within a fire
- 38 protection district that was established after July 1, 1987.
- 39 (4) At least a majority of the members of the board of trustees of
- 40 the fire protection district adopt a resolution consenting to the
- 41 annexation.
- 42 (5) The portion of the annexation territory located within the fire



1 protection district constitutes less than three percent (3%) of the
 2 total net assessed value (as determined by the county auditor) of
 3 the fire protection district on the date the annexation ordinance is
 4 adopted.

5 (b) Section 7(b) ~~7(c)~~; and **7(d)** ~~7(e)~~ of this chapter apply to an
 6 annexation under this section.

7 (c) Section 7(a), **7(c)**, ~~7(d)~~; **7(e)**, 7(f), and 7(g) of this chapter do not
 8 apply to an annexation under this section.

9 (d) After an annexation ordinance is adopted, the ordinance must be
 10 published in the manner prescribed by IC 5-3-1. In the absence of an
 11 appeal under section 15.5 of this chapter, the annexation ordinance
 12 takes effect at least thirty (30) days after its publication and upon the
 13 filing required by section 22(a) of this chapter.

14 SECTION 9. IC 36-4-3-8 IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2024]: Sec. 8. (a) This section does not apply
 16 to an ordinance adopted under section 5, ~~or 5.1~~, ~~or 5.3~~ of this chapter.

17 (b) An ordinance adopted under section 3 or 4 of this chapter must
 18 include terms and conditions fairly calculated to make the annexation
 19 equitable to the property owners and residents of the municipality and
 20 the annexed territory. The terms and conditions may include:

- 21 (1) postponing the effective date of the annexation for not more
 22 than three (3) years; and
 23 (2) establishing equitable provisions for the future management
 24 and improvement of the annexed territory and for the rendering of
 25 needed services.

26 (c) This subsection applies to territory sought to be annexed that
 27 meets all of the following requirements:

- 28 (1) The resident population density of the territory is at least three
 29 (3) persons per acre.
 30 (2) The territory is subdivided or is parceled through separate
 31 ownerships into lots or parcels such that at least sixty percent
 32 (60%) of the total number of lots and parcels are not more than
 33 one (1) acre.

34 This subsection does not apply to an ordinance annexing territory
 35 described in section 4(a)(2), 4(a)(3), 4(b), or 4(h) of this chapter. The
 36 ordinance must include terms and conditions impounding in a special
 37 fund all of the municipal property taxes imposed on the annexed
 38 territory after the annexation takes effect that are not used to meet the
 39 basic services described in section 13(d)(4) and 13(d)(5) of this chapter
 40 for a period of at least three (3) years. The impounded property taxes
 41 must be used to provide additional services that were not specified in
 42 the plan of annexation. The impounded property taxes in the fund shall



1 be expended as set forth in this section, not later than five (5) years
2 after the annexation becomes effective.

3 SECTION 10. IC 36-4-3-9, AS AMENDED BY P.L.243-2013,
4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2024]: Sec. 9. (a) A town must obtain the consent of both the
6 metropolitan development commission and the legislative body of a
7 county having a consolidated city before annexing territory within the
8 county where a consolidated city is located.

9 (b) A town may not annex within an area that extends one (1) mile
10 outside the corporate boundaries of a second or third class city. A town
11 may annex within the area that extends:

12 (1) more than one (1) mile; and

13 (2) not more than three (3) miles;

14 outside the corporate boundaries of a second or third class city, if the
15 annexation by the town does not include territory that extends more
16 than one (1) mile outside the corporate boundaries of the town.

17 (c) Subsection (b) does not apply to:

18 (1) a town that proposes to annex territory located in a different
19 county than the city; or

20 (2) an annexation by a town that is:

21 (A) an annexation under section 5, ~~or~~ 5.1, **or 5.3** of this
22 chapter; or

23 (B) consented to by at least fifty-one percent (51%) of the
24 owners of land in the territory the town proposes to annex.

25 (d) In determining the total number of landowners of the annexed
26 territory and whether signers of a consent under subsection (c)(2)(B)
27 are landowners, the names appearing on the tax duplicate for that
28 territory constitute prima facie evidence of ownership. Only one (1)
29 person having an interest in each single property, as evidenced by the
30 tax duplicate, is considered a landowner for purposes of this section.

31 (e) Each municipality that is known as an included town under
32 IC 36-3-1-7 is also considered a town for purposes of this section.

33 SECTION 11. IC 36-4-3-11, AS AMENDED BY P.L.206-2016,
34 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2024]: Sec. 11. (a) This subsection applies only to an
36 annexation for which an annexation ordinance was adopted before July
37 1, 2015. Except as provided in section 5.1(i) of this chapter and
38 subsections (e) and (f), whenever territory is annexed by a municipality
39 under this chapter, the annexation may be appealed by filing with the
40 circuit or superior court of a county in which the annexed territory is
41 located a written remonstrance signed by:

42 (1) at least sixty-five percent (65%) of the owners of land in the



1 annexed territory; or

2 (2) the owners of more than seventy-five percent (75%) in
3 assessed valuation of the land in the annexed territory.

4 The remonstrance must be filed within ninety (90) days after the
5 publication of the annexation ordinance under section 7 of this chapter,
6 must be accompanied by a copy of that ordinance, and must state the
7 reason why the annexation should not take place.

8 (b) This subsection applies only to an annexation for which an
9 annexation ordinance was adopted before July 1, 2015. On receipt of
10 the remonstrance, the court shall determine whether the remonstrance
11 has the necessary signatures. In determining the total number of
12 landowners of the annexed territory and whether signers of the
13 remonstrance are landowners, the names appearing on the tax duplicate
14 for that territory constitute prima facie evidence of ownership. Only
15 one (1) person having an interest in each single property, as evidenced
16 by the tax duplicate, is considered a landowner for purposes of this
17 section.

18 (c) This subsection applies only to an annexation for which an
19 annexation ordinance was adopted before July 1, 2015. If the court
20 determines that the remonstrance is sufficient, the court shall fix a time,
21 within sixty (60) days after the court's determination, for a hearing on
22 the remonstrance. Notice of the proceedings, in the form of a summons,
23 shall be served on the annexing municipality. The municipality is the
24 defendant in the cause and shall appear and answer.

25 (d) This subsection applies only to an annexation for which an
26 annexation ordinance was adopted after June 30, 2015. If the
27 requirements of section 11.3(c) or (after December 31, 2016) section
28 11.4 of this chapter are met, the annexation may be appealed by filing
29 with the circuit or superior court of a county in which the annexed
30 territory is located:

31 (1) the signed remonstrances filed with the county auditor;

32 (2) the county auditor's certification under section 11.2(i) of this
33 chapter;

34 (3) the annexation ordinance; and

35 (4) a statement of the reason why the annexation should not take
36 place.

37 The remonstrance must be filed with the court not later than fifteen
38 (15) business days after the date the county auditor files the certificate
39 with the legislative body under section 11.2(i) of this chapter. After a
40 remonstrance petition is filed with the court, any person who signed a
41 remonstrance may file with the court a verified, written revocation of
42 the person's opposition to the annexation.



1 (e) If an annexation is initiated by property owners under section 5.1
2 **or 5.3** of this chapter and all property owners within the area to be
3 annexed petition the municipality to be annexed, a remonstrance to the
4 annexation may not be filed under this section.
5 (f) This subsection applies only to an annexation for which an
6 annexation ordinance is adopted before July 1, 2015. This subsection
7 applies if:
8 (1) the territory to be annexed consists of not more than one
9 hundred (100) parcels; and
10 (2) eighty percent (80%) of the boundary of the territory proposed
11 to be annexed is contiguous to the municipality.
12 An annexation may be appealed by filing with the circuit or superior
13 court of a county in which the annexed territory is located a written
14 remonstrance signed by at least seventy-five percent (75%) of the
15 owners of land in the annexed territory as determined under subsection
16 (b).

