

SENATE BILL No. 261

DIGEST OF SB 261 (Updated January 17, 2018 5:13 pm - DI 87)

Citations Affected: IC 13-18; IC 36-4; IC 36-9.

Synopsis: Annexation remonstrance waivers. Voids an annexation remonstrance waiver (waiver) executed on or before July 1, 2003. Voids a waiver executed after June 30, 2003, and before July 1, 2018, unless the waiver was recorded in the county where the property is located within 180 business days after the date the waiver was executed. Voids a waiver executed after June 30, 2018, unless the waiver was recorded in the county where the property is located within 30 business days after the date the waiver was executed. Provides that a waiver executed after June 30, 2003, that was properly recorded expires 15 years after the date the waiver was executed. Provides that waivers voided under the bill do not invalidate annexations that were effective before July 1, 2018.

Effective: July 1, 2018.

Bray, Koch, Doriot

January 3, 2018, read first time and referred to Committee on Local Government. January 18, 2018, amended, reported favorably — Do Pass.



Second Regular Session 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

SENATE BILL No. 261

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:

CECTION 1 IC 12 10 17 2 AC AMENDED DV DI 220 2017

1	SECTION 1. IC 13-18-15-2, AS AMENDED BY P.L.228-2015,
2	SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	JULY 1, 2018]: Sec. 2. (a) The persons involved shall negotiate the
4	terms for connection and service under this chapter.
5	(b) If service is ordered under this chapter, a receiver of that service
6	that is located in an unincorporated area may grant a waiver to a
7	municipality providing the service. A waiver under this section:
8	(1) must waive the receiver's right of remonstrance against
9	annexation of the areas in which the service is to be provided; and
10	(2) may be one (1) of the terms for connection and service
11	described in subsection (a).
12	(c) The waiver, if granted:
13	(1) shall be noted on the deed of each property affected and
14	recorded as provided by law; and
15	(2) is considered a covenant running with the land.
16	(d) Notwithstanding any other law, a waiver of the right of
17	remonstrance executed after June 30, 2015, expires not later than



1	fifteen (15) years after the date the waiver was executed.
2	(e) (d) This subsection applies to any deed recorded after June 30,
3	2015. This subsection applies only to property that is subject to a
4	remonstrance waiver. A municipality shall, within a reasonable time
5	after the recording of a deed to property located within the
6	municipality, provide written notice to the property owner that a waiver
7	of the right of remonstrance exists with respect to the property.
8	(e) A remonstrance waiver executed on or before July 1, 2003,
9	is void. This subsection does not invalidate an annexation that was
10	effective on or before July 1, 2018.
11	(f) A remonstrance waiver executed after June 30, 2003, and not
12	later than June 30, 2018, is subject to the following:
13	(1) The waiver is void unless the waiver was recorded:
14	(A) not later than one hundred eighty (180) business days
15	after the date the waiver was executed; and
16	(B) with the county recorder of the county where the
17	property subject to the waiver is located.
18	(2) A waiver that is not void under subdivision (1) expires not
19	later than fifteen (15) years after the date the waiver is
20	executed.
21	This subsection does not invalidate an annexation that was effective
22	on or before July 1, 2018.
23	(g) A remonstrance waiver executed after June 30, 2018, is
24	subject to the following:
25	(1) The waiver is void unless the waiver is recorded:
26	(A) not later than (30) business days after the date the
27	waiver was executed; and
28	(B) with the county recorder of the county where the
29	property subject to the waiver is located.
30	(2) A waiver that is not void under subdivision (1) expires not
31	later than fifteen (15) years after the date the waiver is
32	executed.
33	This subsection does not invalidate an annexation that was effective
34	on or before July 1, 2018.
35	SECTION 2. IC 36-4-3-11.7, AS ADDED BY P.L.228-2015,
36	SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37	JULY 1, 2018]: Sec. 11.7. (a) Notwithstanding any other law, a waiver
38	of the right of remonstrance executed after June 30, 2015, expires not
39	later than fifteen (15) years after the date the waiver was executed.
40	(b) (a) This subsection applies to any deed recorded after June 30,

2015. This subsection applies only to property that is subject to a

remonstrance waiver. A municipality shall, within a reasonable time



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1	after the recording of a deed to property located within the
2	municipality, provide written notice to the property owner that a waiver
3	of the right of remonstrance exists with respect to the property.
4	(b) A remonstrance waiver executed on or before July 1, 2003,
5	is void. This subsection does not invalidate an annexation that was
6	effective on or before July 1, 2018.
7	(c) A remonstrance waiver executed after June 30, 2003, and not
8	later than June 30, 2018, is subject to the following:
9	(1) The waiver is void unless the waiver was recorded:
10	(A) not later than one hundred eighty (180) business days
11	after the date the waiver was executed; and
12	(B) with the county recorder of the county where the
13	property subject to the waiver is located.
14	(2) A waiver that is not void under subdivision (1) expires not
15	later than fifteen (15) years after the date the waiver is
16	executed.
17	This subsection does not invalidate an annexation that was effective
18	on or before July 1, 2018.
19	(d) A remonstrance waiver executed after June 30, 2018, is
20	subject to the following:
21	(1) The waiver is void unless the waiver is recorded:
22	(A) not later than (30) business days after the date the
23	waiver was executed; and
24	(B) with the county recorder of the county where the
25	property subject to the waiver is located.
26	(2) A waiver that is not void under subdivision (1) expires not
27	later than fifteen (15) years after the date the waiver is
28	executed.
29	This subsection does not invalidate an annexation that was effective
30	on or before July 1, 2018.
31	SECTION 3. IC 36-9-22-2, AS AMENDED BY P.L.228-2015,
32	SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33	JULY 1, 2018]: Sec. 2. (a) The power of the municipal works board to
34	fix the terms of a contract under this section applies to contracts for the
35	installation of sewage works that have not been finally approved or
36	accepted for full maintenance and operation by the municipality on July
37	1, 1979.
38	(b) The works board of a municipality may contract with owners of
39	real property for the construction of sewage works within the
40	municipality or within four (4) miles outside its corporate boundaries
41	in order to provide service for the area in which the real property of the

owners is located. The contract must provide, for a period of not to



exceed fifteen (15) years, for the payment to the owners and their assigns by any owner of real property who:

- (1) did not contribute to the original cost of the sewage works; and
- (2) subsequently taps into, uses, or deposits sewage or storm waters in the sewage works or any lateral sewers connected to them;

of a fair pro rata share of the cost of the construction of the sewage works, subject to the rules of the board and notwithstanding any other law relating to the functions of local governmental entities. However, the contract does not apply to any owner of real property who is not a party to the contract unless the contract or (after June 30, 2013) a signed memorandum of the contract has been recorded in the office of the recorder of the county in which the real property of the owner is located before the owner taps into or connects to the sewers and facilities. The board may provide that the fair pro rata share of the cost of construction includes interest at a rate not exceeding the amount of interest allowed on judgments, and the interest shall be computed from the date the sewage works are approved until the date payment is made to the municipality.

- (c) The contract must include, as part of the consideration running to the municipality, the release of the right of the parties to the contract and their successors in title to remonstrate against pending or future annexations by the municipality of the area served by the sewage works. Any person tapping into or connecting to the sewage works contracted for is considered to waive the person's rights to remonstrate against the annexation of the area served by the sewage works.
- (d) This subsection does not affect any rights or liabilities accrued, or proceedings begun before July 1, 2013. Those rights, liabilities, and proceedings continue and shall be imposed and enforced under prior law as if this subsection had not been enacted. For contracts executed after June 30, 2013, if the release of the right to remonstrate is not void under subsections (h), (i), or (j), the release is binding on a successor in title to a party to the contract only if the successor in title:
 - (1) has actual notice of the release; or
 - (2) has constructive notice of the release because the contract, or a signed memorandum of the contract stating the release, has been recorded in the chain of title of the property.
- (e) Subsection (c) does not apply to a landowner if all of the following conditions apply:
 - (1) The landowner is required to connect to the sewage works because a person other than the landowner has polluted or



1	contaminated the area.
2	(2) The costs of extension of or connection to the sewage work
3	are paid by a person other than the landowner or the municipality
4	(f) Subsection (c) does not apply to a landowner who taps into
5	connects to, or is required to tap into or connect to the sewage work
6	of a municipality only because the municipality provides wholesale
7	sewage service (as defined in IC 8-1-2-61.7) to another municipality
8	that provides sewage service to the landowner.
9	(g) Notwithstanding any other law, a waiver of the right o
10	remonstrance executed after June 30, 2015, expires not later than
11	fifteen (15) years after the date the waiver was executed.
12	(h) (g) This subsection applies to any deed recorded after June 30
13	2015. This subsection applies only to property that is subject to a
14	remonstrance waiver. A municipality shall provide written notice to
15	any successor in title to property within a reasonable time after the
16	deed is recorded, that a waiver of the right of remonstrance exists with
17	respect to the property.
18	(h) A remonstrance waiver executed on or before July 1, 2003
19	is void. This subsection does not invalidate an annexation that wa
20	effective on or before July 1, 2018.
21	• •
22	(i) A remonstrance waiver executed after June 30, 2003, and no later than June 30, 2018, is subject to the following:
23	(1) The waiver is void unless the waiver was recorded:
24	(A) not later than one hundred eighty (180) business day
25	after the date the waiver was executed; and
26	(B) with the county recorder of the county where the
27	property subject to the waiver is located.
28	(2) A waiver that is not void under subdivision (1) expires no
29	later than fifteen (15) years after the date the waiver i
30	executed.
31	This subsection does not invalidate an annexation that was effective
32	on or before July 1, 2018.
33	(j) A remonstrance waiver executed after June 30, 2018, i
34	subject to the following:
35	(1) The waiver is void unless the waiver is recorded:
36	(A) not later than (30) business days after the date the
37	waiver was executed; and
38	(B) with the county recorder of the county where the
39	property subject to the waiver is located.
40	(2) A waiver that is not void under subdivision (1) expires no
41	later than fifteen (15) years after the date the waiver i
42	executed.



This subsection does not invalidate an annexation that was effective on or before July 1, 2018.

SECTION 4. IC 36-9-25-14, AS AMENDED BY P.L.228-2015, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14. (a) As to each municipality to which this chapter applies:

- (1) all the territory included within the corporate boundaries of the municipality; and
- (2) any territory, town, addition, platted subdivision, or unplatted land lying outside the corporate boundaries of the municipality that has been taken into the district in accordance with a prior statute, the sewage or drainage of which discharges into or through the sewage system of the municipality;

constitutes a special taxing district for the purpose of providing for the sanitary disposal of the sewage of the district in a manner that protects the public health and prevents the undue pollution of watercourses of the district.

(b) Upon request by:

- (1) a resolution adopted by the legislative body of another municipality in the same county; or
- (2) a petition of the majority of the resident freeholders in a platted subdivision or of the owners of unplatted land outside the boundaries of a municipality, if the platted subdivision or unplatted land is in the same county;

the board may adopt a resolution incorporating all or any part of the area of the municipality, platted subdivision, or unplatted land into the district.

- (c) A request under subsection (b) must be signed and certified as correct by the secretary of the legislative body, resident freeholders, or landowners. The original shall be preserved in the records of the board. The resolution of the board incorporating an area in the district must be in writing and must contain an accurate description of the area incorporated into the district. A certified copy of the resolution, signed by the president and secretary of the board, together with a map showing the boundaries of the district and the location of additional areas, shall be delivered to the auditor of the county within which the district is located. It shall be properly indexed and kept in the permanent records of the offices of the auditor.
- (d) In addition, upon request by ten (10) or more interested resident freeholders in a platted or unplatted territory, the board may define the limits of an area within the county and including the property of the freeholders that is to be considered for inclusion into the district.



Notice of the defining of the area by the board, and notice of the location and limits of the area, shall be given by publication in accordance with IC 5-3-1. Upon request by a majority of the resident freeholders of the area, the area may be incorporated into the district in the manner provided in this section. The resolution of the board incorporating the area into the district and a map of the area shall be made and filed in the same manner.

(e) In addition, a person owning or occupying real property outside the district may enter into a sewer service agreement with the board for connection to the sewage works of the district. If the agreement provides for connection at a later time, the date or the event upon which the service commences shall be stated in the agreement. The agreement may impose any conditions for connection that the board determines. The agreement must also provide the amount of service charge to be charged for connection if the persons are not covered under section 11 of this chapter, with the amount to be fixed by the board in its discretion and without a hearing.

(f) All sewer service agreements made under subsection (e) or (after June 30, 2013) a signed memorandum of the sewer service agreement shall be recorded in the office of the recorder of the county where the property is located. The agreements run with the property described and are binding upon the persons owning or occupying the property, their personal representatives, heirs, devisees, grantees, successors, and assigns. Each agreement that is recorded, or each agreement of which a signed memorandum is recorded, and that provides for the property being served to be placed on the tax rolls shall be certified by the board to the auditor of the county where the property is located. The certification must state the date the property is to be placed on the tax rolls, and upon receipt of the certification together with a copy of the agreement, the auditor shall immediately place the property certified upon the rolls of property subject to the levy and collection of taxes for the district. An agreement may provide for the collection of a service charge for the period services are rendered before the levy and collection of the tax.

- (g) Except as provided in subsection (j), sewer service agreements made under subsection (e) must contain a waiver provision that persons (other than municipalities) who own or occupy property agree for themselves, their executors, administrators, heirs, devisees, grantees, successors, and assigns that they will:
 - (1) neither object to nor file a remonstrance against the proposed annexation of the property by a municipality within the boundaries of the district;



- (2) not appeal from an order or a judgment annexing the property to a municipality; and
 - (3) not file a complaint or an action against annexation proceedings.
 - (h) This subsection does not affect any rights or liabilities accrued or proceedings begun before July 1, 2013. Those rights, liabilities, and proceedings continue and shall be imposed and enforced under prior law as if this subsection had not been enacted. For contracts executed after June 30, 2013, a waiver of the right to remonstrate under subsection (g) **that is not void under subsections (l), (m), or (n)** is binding as to an executor, administrator, heir, devisee, grantee, successor, or assign of a party to a sewer service agreement under subsection (g) only if the executor, administrator, heir, devisee, grantee, successor, or assign:
 - (1) has actual notice of the waiver; or
 - (2) has constructive notice of the waiver because the sewer service agreement or a signed memorandum of the sewer service agreement stating the waiver has been recorded in the chain of title of the property.
 - (i) This section does not affect any sewer service agreements entered into before March 13, 1953. However, this section applies to a remonstrance waiver regardless of when the waiver was executed.
 - (j) Subsection (g) does not apply to a landowner if all of the following conditions apply:
 - (1) The landowner is required to connect to a sewer service because a person other than the landowner has polluted or contaminated the area.
 - (2) The costs of extension of service or connection to the sewer service are paid by a person other than the landowner or the municipality.
 - (k) Notwithstanding any other law, a waiver of the right of remonstrance executed after June 30, 2015, expires not later than fifteen (15) years after the date the waiver was executed.
 - (h) (k) This subsection applies to any deed recorded after June 30, 2015. This subsection applies only to property that is subject to a remonstrance waiver. A municipality shall provide written notice to any successor in title to property within a reasonable time after the deed is recorded, that a waiver of the right of remonstrance has been granted with respect to the property.
 - (l) A remonstrance waiver executed on or before July 1, 2003, is void. This subsection does not invalidate an annexation that was



1	effective on or before July 1, 2018.
2	(m) A remonstrance waiver executed after June 30, 2003, and
3	not later than June 30, 2018, is subject to the following:
4	(1) The waiver is void unless the waiver was recorded:
5	(A) not later than one hundred eighty (180) business days
6	after the date the waiver was executed; and
7	(B) with the county recorder of the county where the
8	property subject to the waiver is located.
9	(2) A waiver that is not void under subdivision (1) expires not
10	later than fifteen (15) years after the date the waiver is
11	executed.
12	This subsection does not invalidate an annexation that was effective
13	on or before July 1, 2018.
14	(n) A remonstrance waiver executed after June 30, 2018, is
15	subject to the following:
16	(1) The waiver is void unless the waiver is recorded:
17	(A) not later than (30) business days after the date the
18	waiver was executed; and
19	(B) with the county recorder of the county where the
20	property subject to the waiver is located.
21	(2) A waiver that is not void under subdivision (1) expires not
22	later than fifteen (15) years after the date the waiver is
23	executed.
24	This subsection does not invalidate an annexation that was effective
25	on or before July 1, 2018.



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 261, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, strike line 16.

Page 1, line 17, strike "remonstrance executed after June 30, 2015,".

Page 1, line 17, delete "that is not void under".

Page 2, line 1, delete "subsection (f)".

Page 2, line, 1, strike "expires not later than fifteen (15) years after the date the".

Page 2, strike line 2.

Page 2, line 3, strike "(e)" and insert "(d)".

Page 2, delete lines 9 through 17, begin a new paragraph and insert:

- "(e) A remonstrance waiver executed on or before July 1, 2003, is void. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (f) A remonstrance waiver executed after June 30, 2003, and not later than June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver was recorded:
- (A) not later than one hundred eighty (180) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (g) A remonstrance waiver executed after June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver is recorded:
- (A) not later than (30) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018."
- Page 2, line 20, strike "(a) Notwithstanding any other law, a waiver".

Page 2, line 21, strike "of the right of remonstrance executed after



June 30, 2015,".

Page 2, line 21, delete "that is not".

Page 2, line 22, delete "void under subsection (c)".

Page 2, line 22, strike "expires not later than fifteen (15) years after".

Page 2, strike line 23.

Page 2, line 24, strike "(b)" and insert "(a)".

Page 2, delete lines 30 through 38, begin a new paragraph and insert:

- "(b) A remonstrance waiver executed on or before July 1, 2003, is void. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (c) A remonstrance waiver executed after June 30, 2003, and not later than June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver was recorded:
- (A) not later than one hundred eighty (180) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (d) A remonstrance waiver executed after June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver is recorded:
- (A) not later than (30) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.".
- Page 3, line 41, delete "subsection (g) or (i)," and insert "subsections (h), (i), or (j),".

Page 4, strike line 17.

Page 4, line 18, strike "remonstrance executed after June 30, 2015,".

Page 4, line 18, delete "that is not void under".

Page 4, line 19, delete "subsection (i)".

Page 4, line 19, strike "expires not later than fifteen (15) years after the date the".



- Page 4, strike line 20.
- Page 4, line 21, strike "(h)" and insert "(g)".
- Page 4, delete lines 27 through 35, begin a new paragraph and insert:
- "(h) A remonstrance waiver executed on or before July 1, 2003, is void. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (i) A remonstrance waiver executed after June 30, 2003, and not later than June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver was recorded:
- (A) not later than one hundred eighty (180) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (j) A remonstrance waiver executed after June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver is recorded:
- (A) not later than (30) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018."
- Page 7, line 1, delete "subsection (k) or (m)" and insert "**subsections** (l), (m), or (n)".
 - Page 7, line 12, delete "subsection (m)" and insert "this section".
 - Page 7, strike line 23.
 - Page 7, line 24, strike "remonstrance executed after June 30, 2015,".
 - Page 7, line 24, delete "that is not void under".
 - Page 7, line 25, delete "subsection (m)".
- Page 7, line 25, strike "expires not later than fifteen (15) years after the date".
 - Page 7, strike line 26.
 - Page 7, line 27, strike "(1)" and insert "(k)".
- Page 7, delete lines 33 through 41, begin a new paragraph and insert:



- "(l) A remonstrance waiver executed on or before July 1, 2003, is void. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (m) A remonstrance waiver executed after June 30, 2003, and not later than June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver was recorded:
- (A) not later than one hundred eighty (180) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.
- (n) A remonstrance waiver executed after June 30, 2018, is subject to the following:
 - (1) The waiver is void unless the waiver is recorded:
- (A) not later than (30) business days after the date the waiver was executed; and
- (B) with the county recorder of the county where the property subject to the waiver is located.
- (2) A waiver that is not void under subdivision (1) expires not later than fifteen (15) years after the date the waiver is executed. This subsection does not invalidate an annexation that was effective on or before July 1, 2018.".

and when so amended that said bill do pass.

(Reference is to SB 261 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 6, Nays 2.

