



February 27, 2018

ENGROSSED
SENATE BILL No. 261

DIGEST OF SB 261 (Updated February 27, 2018 12:28 pm - DI 87)

Citations Affected: Noncode.

Synopsis: Annexation study topics. Urges the legislative council to assign to an interim study committee the task of studying issues related to municipal annexation.

Effective: Upon passage.

Bray, Koch, Doriot,
Randolph Lonnie M, Buck, Tallian
(HOUSE SPONSOR — LEONARD)

January 3, 2018, read first time and referred to Committee on Local Government.
January 18, 2018, amended, reported favorably — Do Pass.
February 1, 2018, read second time, amended, ordered engrossed.
February 2, 2018, engrossed.
February 5, 2018, read third time, passed. Yeas 42, nays 6.

HOUSE ACTION

February 12, 2018, read first time and referred to Committee on Government and Regulatory Reform.
February 27, 2018, amended, reported favorably — Do Pass.

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February 27, 2018

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.

ENGROSSED SENATE BILL No. 261

A BILL FOR AN ACT concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **The legislative**
2 **council is urged to assign to an appropriate interim study**
3 **committee the task of studying issues relating to municipal**
4 **annexation, including the following:**
5 (1) **The effect of annexation laws on economic development.**
6 (2) **Extraterritorial municipal jurisdiction regarding zoning**
7 **and control of natural resources.**
8 (3) **The effect of eliminating involuntary annexations.**
9 (4) **Property owner participation in the issuance of political**
10 **subdivision debt and lease rental obligations.**
11 (5) **Annexation remonstrance waivers, including:**
12 (A) **the basis for annexation remonstrance waivers and the**
13 **consequences of voiding existing contracts;**
14 (B) **requiring disclosure of annexation remonstrance**
15 **waivers on real estate sales disclosure forms;**
16 (C) **a municipality's best practices in extending services**
17 **outside its boundaries, if annexation remonstrance waivers**
18 **are phased out or eliminated; and**

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- 1 **(D) a process for municipalities to bring property**
 2 **benefitting from multiple municipal services into the**
 3 **boundaries of the municipality.**
 4 **(6) Contiguity requirements, including the effect of contiguity**
 5 **on annexations under IC 36-4-3-4.1.**
 6 **(7) Require the signatures of fifty-one percent (51%) of the**
 7 **owners of property or the owners of sixty-five percent (65%)**
 8 **of the assessed value of property in the annexation territory**
 9 **to void an annexation ordinance.**
 10 **(8) Tie levy increases for the annexing municipality with the**
 11 **new non-utility services added by the annexing municipality.**
 12 **(9) Require the local income tax loss to the non-annexing**
 13 **political subdivisions to be in proportion to the services**
 14 **assumed by the annexing municipality from the entity.**
 15 **(10) Require the annexing municipality to repay the circuit**
 16 **breaker loss to other units as a result of the higher levy and**
 17 **additional tax rate.**
 18 **(11) If municipal services are not provided to the annexation**
 19 **territory as promised:**
 20 **(A) lower taxes within the annexed area; and**
 21 **(B) require the municipality to pay taxpayers' attorney's**
 22 **fees.**
 23 **(12) Amend IC 36-4-3-13(c)(1)(B) to read: "needed and can be**
 24 **used in its entirety by the municipality for its development in**
 25 **the reasonably near future within three (3) years from the**
 26 **date the annexation ordinance is adopted."**
 27 **(13) Clarify the following regarding remonstrance petitions:**
 28 **(A) A signature on a remonstrance does not have to be**
 29 **exactly similar to a signature on a bond remonstrance.**
 30 **(B) Each parcel has one (1) vote.**
 31 **(14) Amend IC 36-4-3-11.6 regarding attorney's fees.**
 32 **(15) The special provisions in IC 36-4-3-11.4 regarding**
 33 **annexations involving an economic development project.**
 34 **(16) Limiting the number of annexations or the size of an**
 35 **annexation that could occur in a calendar year.**
 36 **(17) Authorize the board of county commissioners to approve**
 37 **involuntary annexations.**
 38 **(18) Creating a moratorium on involuntary annexations while**
 39 **annexation is studied by the general assembly.**
 40 **(b) This SECTION expires January 1, 2019.**
 41 **SECTION 2. An emergency is declared for this act.**



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 "(l)" 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.

SENATE MOTION

Madam President: I move that Senate Bill 261 be amended to read as follows:

Page 2, line 14, delete "not later than one hundred eighty (180) business days" and insert "**before January 1, 2019; and**".

Page 2, delete line 15.

Page 3, line 10, delete "not later than one hundred eighty (180)

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business days" and insert "**before January 1, 2019; and**".

Page 3, delete line 11.

Page 5, line 24, delete "not later than one hundred eighty (180) business days" and insert "**before January 1, 2019; and**".

Page 5, delete line 25.

Page 9, line 5, delete "not later than one hundred eighty (180) business days" and insert "**before January 1, 2019; and**".

Page 9, delete line 6.

(Reference is to SB 261 as printed January 19, 2018.)

BRAY

COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred Senate Bill 261, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning local government.

Delete everything after the enacting clause and insert:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 261 as reprinted February 2, 2018.)

MAHAN

Committee Vote: yeas 10, nays 0.

