



February 8, 2019

SENATE BILL No. 556

DIGEST OF SB 556 (Updated February 7, 2019 12:33 pm - DI 87)

Citations Affected: IC 36-4.

Synopsis: Annexation. With regard to an annexation ordinance adopted after June 30, 2019, allows a county executive to review and deny an annexation if, for the assessment date in the calendar year preceding the calendar year in which the annexation ordinance is adopted, the total gross assessed value of all property annexed by the municipality by all ordinances adopted on the same date is more than 5% of the total gross assessed value of the municipality (without considering the territory to be annexed in the ordinance or ordinances). Provides that if the county executive: (1) denies the annexation, the proceedings are terminated; or (2) does not deny the annexation, the annexation proceedings continue. With regard to an annexation ordinance adopted after June 30, 2019: (1) requires the county executive to review; and (2) allows the county executive to deny an annexation, if, for the assessment date in the calendar year preceding the calendar year in which the annexation ordinance is adopted, the total gross assessed value of all property annexed by the municipality by all ordinances adopted during the calendar year is more than 15%
(Continued next page)

Effective: July 1, 2019.

Buck

January 14, 2019, read first time and referred to Committee on Local Government.
February 7, 2019, amended, reported favorably — Do Pass.

SB 556—LS 6617/DI 87



Digest Continued

of the total assessed value of the municipality (without considering the territory to be annexed in the ordinance or ordinances). Provides that if the county executive: (1) denies the annexation, the proceedings are terminated and all annexation ordinances adopted by a municipality during the calendar year are void; or (2) does not deny the annexation, the annexation proceedings continue. Requires a fiscal plan prepared after June 30, 2019, to address any estimated effects of the annexation on taxing units not included in the annexation. Requires after June 30, 2019, that notice be given of certain annexation proceedings to taxing units and political subdivisions evaluated for purposes of the fiscal plan.

SB 556—LS 6617/DI 87



February 8, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 556

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 36-4-3-1.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2019]: **Sec. 1.3. (a) This section applies to an annexation**
4 **ordinance adopted after June 30, 2019.**
5 **(b) This section applies to any taxing unit or political**
6 **subdivision that the municipality evaluates in its fiscal plan under**
7 **section 13(d)(8) of this chapter as being affected or potentially**
8 **affected by the annexation.**
9 **(c) The municipality shall provide notice to the fiscal officer of**
10 **a taxing unit or political subdivision of:**
11 **(1) an outreach program under section 1.7(c) of this chapter;**
12 **and**
13 **(2) an annexation hearing under sections 2.1 and 2.2(b) of this**
14 **chapter;**
15 **in the same manner that notice is provided to landowners**
16 **described under section 2.2(c) of this chapter. The municipality**
17 **shall provide notice to a taxing unit or political subdivision under**

SB 556—LS 6617/DI 87



1 **this section, regardless of whether the municipality determines in**
 2 **the fiscal plan that the annexation affects the taxing unit or**
 3 **political subdivision.**

4 SECTION 2. IC 36-4-3-1.7, AS AMENDED BY P.L.206-2016,
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2019]: Sec. 1.7. (a) This section applies only to an annexation
 7 ordinance adopted after June 30, 2015. This section does not apply to
 8 an annexation under section 5.1 of this chapter.

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

18 (1) Maps showing the proposed boundaries of the annexation
 19 territory.

20 (2) Proposed plans for extension of capital and noncapital
 21 services in the annexation territory, including proposed dates of
 22 extension.

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

25 (c) The municipality shall provide notice of the dates, times, and
 26 locations of the outreach program meetings. The municipality shall
 27 publish the notice of the meetings under IC 5-3-1, including the date,
 28 time, and location of the meetings, except that notice must be published
 29 not later than thirty (30) days before the date of each meeting. The
 30 municipality shall also send notice to each owner of land within the
 31 annexation territory **and (after June 30, 2019) the fiscal officer of**
 32 **each political subdivision and taxing unit under section 1.3 of this**
 33 **chapter** not later than thirty (30) days before the date of the first
 34 meeting of the outreach program. The notice to landowners **and (after**
 35 **June 30, 2019) the fiscal officers under section 1.3 of this chapter**
 36 shall be sent by first class mail, certified mail with return receipt
 37 requested, or any other means of delivery that includes a return receipt
 38 and must include the following information:

39 (1) **If the notice is to a landowner, the notice** must inform the
 40 landowner that the municipality is proposing to annex territory
 41 that includes the landowner's property.

42 (2) The municipality is conducting an outreach program for the



1 purpose of providing information to landowners and the public
2 regarding the proposed annexation.

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

5 (d) The notice shall be sent to the address of the landowner as listed
6 on the tax duplicate. **After June 30, 2019, the notice shall also be sent**
7 **to the fiscal officer of the political subdivision or taxing unit.** If the
8 municipality provides evidence that the notice was sent:

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

11 (2) in accordance with this section;

12 it is not necessary that the landowner **or (after June 30, 2019) fiscal**
13 **officer** accept receipt of the notice. If a remonstrance is filed under
14 section 11 of this chapter, the municipality shall file with the court
15 proof that notices were sent to landowners under this section and proof
16 of publication.

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

19 SECTION 3. IC 36-4-3-3.5 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3.5. (a) An annexation
21 ordinance adopted under this chapter must contain the following
22 information:

23 (1) A description of the boundaries of the territory to be annexed,
24 including any public highway or right-of-way.

25 (2) The approximate number of acres in the territory to be
26 annexed.

27 (3) A description of any special terms and conditions adopted
28 under section 8 of this chapter.

29 **(4) This subdivision applies only to an annexation ordinance**
30 **adopted after June 30, 2019. The total gross assessed value of**
31 **all taxable property of:**

32 **(A) the annexing municipality; and**

33 **(B) the territory to be annexed;**

34 **for the assessment date in the calendar year preceding the**
35 **calendar year in which the annexation ordinance is adopted.**

36 (b) An ordinance adopted under section 3 or 4 of this chapter must
37 also contain a description of any property tax abatements adopted
38 under section 8.5 of this chapter.

39 SECTION 4. IC 36-4-3-10.1 IS ADDED TO THE INDIANA CODE
40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
41 1, 2019]: **Sec. 10.1. (a) This section applies only to an annexation**
42 **ordinance adopted after June 30, 2019.**



1 **(b) This section applies if:**

2 **(1) for the assessment date in the calendar year preceding the**
 3 **calendar year in which the annexation ordinance is adopted,**
 4 **the total gross assessed value of all taxable property of the**
 5 **territory annexed by the municipality in all ordinances**
 6 **adopted on the same date is more than five percent (5%) of**
 7 **the total gross assessed value of all taxable property in the**
 8 **municipality (without considering the territory to be annexed**
 9 **in the ordinance or ordinances); and**

10 **(2) section 10.2 of this chapter does not apply.**

11 **(c) An annexation ordinance adopted under section 5 or 5.1 of**
 12 **this chapter is not subject to review by the county executive under**
 13 **this section. However, the total gross assessed value of any taxable**
 14 **property that the municipality annexed in an ordinance under**
 15 **section 5 or 5.1 of this chapter shall be included in calculating the**
 16 **total gross assessed value of all taxable property of the territory**
 17 **under this section, if the ordinance adopted under section 5 or 5.1**
 18 **of this chapter was adopted on the same date as the other**
 19 **annexation ordinances.**

20 **(d) The municipality shall file the annexation ordinance and**
 21 **fiscal plan with the county executive of each county in which the**
 22 **annexation territory is located not later than seven (7) business**
 23 **days after the annexation ordinance is adopted. Not later than**
 24 **fifteen (15) business days after the annexation ordinance and fiscal**
 25 **plan are filed with the county executive, the county executive shall**
 26 **hold a meeting for the purpose of voting on whether the county**
 27 **executive will review the annexation.**

28 **(e) If a county executive votes unanimously to review the**
 29 **annexation, the following apply:**

30 **(1) The annexation may proceed under section 11.1(d) of this**
 31 **chapter unless the annexation is denied by each county**
 32 **executive in which the territory is located within ninety (90)**
 33 **days after the annexation is filed with the county executive.**

34 **(2) An annexation is terminated and may not proceed under**
 35 **section 11.1(d) of this chapter if a majority of the members of**
 36 **a county executive votes to deny the annexation.**

37 **(f) Each county executive that receives an annexation under this**
 38 **section shall provide notice of the following:**

39 **(1) Whether the county executive will review the annexation**
 40 **ordinance.**

41 **(2) If the annexation is reviewed by the county executive,**
 42 **notice that:**



1 (A) the annexation was denied by a majority vote of the
2 county executive; or

3 (B) the annexation may proceed because the county
4 executive did not take action to deny the annexation
5 proposal by the date specified in subsection (e)(1).

6 The county executive shall provide the notice by publication in
7 accordance with IC 5-3-1 and to owners of real property described
8 in section 2.2 of this chapter and taxing units and political
9 subdivisions described in section 1.3 of this chapter. The
10 municipality shall provide the county executive with the names and
11 addresses of owners of real property under section 2.2 of this
12 chapter and the fiscal officers of the taxing units and political
13 subdivisions under section 1.3 of this chapter.

14 (g) The failure of a county executive to review, deny, or take any
15 action on an annexation does not affect the right of a landowner to
16 remonstrate, file an appeal, or take any other action with respect
17 to the annexation that is permitted by law.

18 SECTION 5. IC 36-4-3-10.2 IS ADDED TO THE INDIANA CODE
19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
20 1, 2019]: Sec. 10.2. (a) This section applies only to an annexation
21 ordinance adopted after June 30, 2019.

22 (b) This section applies only if, for the assessment date in the
23 calendar year preceding the calendar year in which the annexation
24 ordinance or ordinances are adopted, the total gross assessed value
25 of all taxable property of the territory that is annexed by the
26 municipality in all annexation ordinances adopted during the
27 calendar year is more than fifteen percent (15%) of the total gross
28 assessed value of all taxable property in the annexing municipality
29 (without considering the territory to be annexed in the ordinance
30 or ordinances).

31 (c) An annexation ordinance adopted under section 5 or 5.1 of
32 this chapter is not subject to review by the county executive under
33 this section. However, the total gross assessed value of any taxable
34 property that the municipality annexed in an ordinance under
35 section 5 or 5.1 of this chapter shall be included in calculating the
36 total gross assessed value of all taxable property of the territory
37 under this section, if the ordinance was adopted during the same
38 calendar year as the other annexation ordinances. An annexation
39 ordinance adopted under section 5 or 5.1 of this chapter during the
40 calendar year is voided with all other annexation ordinances if the
41 county executive denies the annexation under this section.

42 (d) The municipality shall file the annexation ordinance and



1 fiscal plan with the county executive of each county where the
 2 annexation territory is located not later than seven (7) business
 3 days after the annexation ordinance is adopted. The county
 4 executive shall review the annexation at a public meeting.

5 (e) If a majority of members of a county executive vote to deny
 6 the annexation not later than ninety (90) days after the date the
 7 annexation is filed with the county executive:

8 (1) the annexation is terminated and may not proceed under
 9 section 11.1(d) of this chapter; and

10 (2) all annexation ordinances that are adopted by a
 11 municipality during a calendar year are void.

12 The county executive may not vote to deny the annexation later
 13 than ninety (90) days after the date the annexation is filed with the
 14 county executive. A vote to deny the annexation that occurs later
 15 than ninety (90) days after the date the annexation is filed with the
 16 county executive is void. If the county executive does not vote to
 17 deny an annexation or does not take action on an annexation within
 18 the time set forth in this subsection, the annexation may proceed
 19 under section 11.1(d).

20 (f) Each county executive that receives an annexation under this
 21 section shall provide notice that:

22 (1) the annexation was denied by a majority vote of the county
 23 executive; or

24 (2) the annexation may proceed because the county executive
 25 did not take action to deny the annexation proposal by the
 26 date specified under subsection (e).

27 The county executive shall provide the notice by publication in
 28 accordance with IC 5-3-1 and to owners of real property described
 29 in section 2.2 of this chapter and taxing units and political
 30 subdivisions described in section 1.3 of this chapter. The
 31 municipality shall provide the county executive with the names and
 32 addresses of owners of real property under section 2.2 of this
 33 chapter and the fiscal officers of the taxing units and political
 34 subdivisions under section 1.3 of this chapter.

35 (g) The failure of a county executive to review, deny, or take any
 36 action on an annexation does not affect the right of a landowner to
 37 remonstrate, file an appeal, or take any other action with respect
 38 to the annexation that is permitted by law.

39 SECTION 6. IC 36-4-3-11.1, AS ADDED BY P.L.228-2015,
 40 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2019]: Sec. 11.1. (a) **Except as provided in subsection (c),**
 42 this section applies only to an annexation ordinance adopted after June



- 1 30, 2015.
- 2 (b) After a municipality adopts an annexation ordinance in
3 accordance with all applicable notice and hearing requirements under
4 this chapter, the annexation may not proceed unless the annexing
5 municipality completes the procedures set forth in this section.
- 6 **(c) If the total gross assessed value of all taxable property of the**
7 **territory that is annexed makes the annexation eligible for review**
8 **and approval by the county executive under section 10.1 or 10.2 of**
9 **this chapter, the municipality must file the annexation ordinance**
10 **and fiscal plan with the county executive before the annexation**
11 **may proceed under subsection (d).**
- 12 ~~(c)~~ **(d)** The proper officers of the municipality must give notice of
13 the applicability of the remonstrance process by providing notice by:
14 (1) publication in accordance with IC 5-3-1; and
15 (2) first class mail or certified mail with return receipt requested,
16 or any other means of delivery that includes a return receipt to the
17 circuit court clerk, ~~and~~ to owners of real property described in
18 section 2.2 of this chapter, **and (after June 30, 2019) to any**
19 **political subdivision and taxing unit under section 1.3 of this**
20 **chapter.**
- 21 Notice under this section must be published and mailed or delivered on
22 the same date that notice of the adoption of the annexation ordinance
23 is published under section 7 of this chapter.
- 24 ~~(d)~~ **(e)** The notice of the applicability of the remonstrance process
25 under subsection ~~(c)~~ **(d)** must state the following:
26 (1) Any owners of real property within the area proposed to be
27 annexed who want to remonstrate against the proposed
28 annexation must complete and file remonstrance petitions in
29 compliance with this chapter. The notice must state:
30 (A) that remonstrance petitions must be filed not later than
31 ninety (90) days after the date that notice of the adoption of the
32 annexation ordinance was published under section 7 of this
33 chapter; and
34 (B) the last date in accordance with clause (A) that
35 remonstrance petitions must be filed with the county auditor
36 to be valid.
37 (2) A remonstrance petition may be signed at the locations
38 provided by the municipality under subsection ~~(c)~~ **(f)**. The notice
39 must provide the following information regarding each location:
40 (A) The address of the location.
41 (B) The dates and hours during which a remonstrance petition
42 may be signed at the location.



1 ~~(e)~~ **(f)** Beginning the day after publication of the notice under
 2 subsection ~~(e)~~ **(d)** and ending not later than ninety (90) days after
 3 publication of the notice under subsection ~~(e)~~; **(d)**, the municipality
 4 shall provide both of the following:

5 (1) At least one (1) location in the offices of the municipality
 6 where a person may sign a remonstrance petition during regular
 7 business hours.

8 (2) At least one (1) additional location that is available for at least
 9 five (5) days, where a person may sign a remonstrance petition.

10 The location must meet the following requirements:

11 (A) The location must be in a public building:

12 (i) owned or leased by the state or a political subdivision,
 13 including a public library, community center, or parks and
 14 recreation building; and

15 (ii) located within the boundaries of the municipality or the
 16 annexation territory.

17 (B) The location must be open according to the following:

18 (i) On a day that the location is open on a weekday, the
 19 location must be open at a minimum from 5 p.m. to 9 p.m.

20 (ii) On a day that the location is open on a Saturday or
 21 Sunday, the location must be open at least four (4) hours
 22 during the period from 9 a.m. to 5 p.m.

23 ~~(f)~~ **(g)** An additional location may not be open on a day that is a
 24 legal holiday. At any location and during the hours that a remonstrance
 25 petition may be signed, the municipality shall have a person present:

26 (1) to witness the signing of remonstrance petitions; and

27 (2) who shall swear and affirm before a notary public that the
 28 person witnessed each person sign the remonstrance petition.

29 SECTION 7. IC 36-4-3-13, AS AMENDED BY P.L.206-2016,
 30 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2019]: Sec. 13. (a) Except as provided in subsection (e), at the
 32 hearing under section 12 of this chapter, the court shall order a
 33 proposed annexation to take place if the following requirements are
 34 met:

35 (1) The requirements of either subsection (b) or (c).

36 (2) The requirements of subsection (d).

37 (3) The requirements of subsection (i).

38 (b) The requirements of this subsection are met if the evidence
 39 establishes the following:

40 (1) That the territory sought to be annexed is contiguous to the
 41 municipality.

42 (2) One (1) of the following:



- 1 (A) The resident population density of the territory sought to
 2 be annexed is at least three (3) persons per acre.
 3 (B) Sixty percent (60%) of the territory is subdivided.
 4 (C) The territory is zoned for commercial, business, or
 5 industrial uses.
 6 (c) The requirements of this subsection are met if the evidence
 7 establishes one (1) of the following:
 8 (1) That the territory sought to be annexed is:
 9 (A) contiguous to the municipality as required by section 1.5
 10 of this chapter, except that at least one-fourth (1/4), instead of
 11 one-eighth (1/8), of the aggregate external boundaries of the
 12 territory sought to be annexed must coincide with the
 13 boundaries of the municipality; and
 14 (B) needed and can be used by the municipality for its
 15 development in the reasonably near future.
 16 (2) This subdivision applies only to an annexation for which an
 17 annexation ordinance is adopted after December 31, 2016. That
 18 the territory sought to be annexed involves an economic
 19 development project and the requirements of section 11.4 of this
 20 chapter are met.
 21 (d) The requirements of this subsection are met if the evidence
 22 establishes that the municipality has developed and adopted a written
 23 fiscal plan and has established a definite policy, by resolution of the
 24 legislative body as set forth in section 3.1 of this chapter. The fiscal
 25 plan must show the following:
 26 (1) The cost estimates of planned services to be furnished to the
 27 territory to be annexed. The plan must present itemized estimated
 28 costs for each municipal department or agency.
 29 (2) The method or methods of financing the planned services. The
 30 plan must explain how specific and detailed expenses will be
 31 funded and must indicate the taxes, grants, and other funding to
 32 be used.
 33 (3) The plan for the organization and extension of services. The
 34 plan must detail the specific services that will be provided and the
 35 dates the services will begin.
 36 (4) That planned services of a noncapital nature, including police
 37 protection, fire protection, street and road maintenance, and other
 38 noncapital services normally provided within the corporate
 39 boundaries, will be provided to the annexed territory within one
 40 (1) year after the effective date of annexation and that they will be
 41 provided in a manner equivalent in standard and scope to those
 42 noncapital services provided to areas within the corporate



- 1 boundaries regardless of similar topography, patterns of land use,
 2 and population density.
- 3 (5) That services of a capital improvement nature, including street
 4 construction, street lighting, sewer facilities, water facilities, and
 5 stormwater drainage facilities, will be provided to the annexed
 6 territory within three (3) years after the effective date of the
 7 annexation in the same manner as those services are provided to
 8 areas within the corporate boundaries, regardless of similar
 9 topography, patterns of land use, and population density, and in
 10 a manner consistent with federal, state, and local laws,
 11 procedures, and planning criteria.
- 12 (6) This subdivision applies to a fiscal plan prepared after June
 13 30, 2015. The estimated effect of the proposed annexation on
 14 taxpayers in each of the political subdivisions to which the
 15 proposed annexation applies, including the expected tax rates, tax
 16 levies, expenditure levels, service levels, and annual debt service
 17 payments in those political subdivisions for four (4) years after
 18 the effective date of the annexation.
- 19 (7) This subdivision applies to a fiscal plan prepared after June
 20 30, 2015. The estimated effect the proposed annexation will have
 21 on municipal finances, specifically how municipal tax revenues
 22 will be affected by the annexation for four (4) years after the
 23 effective date of the annexation.
- 24 (8) This subdivision applies to a fiscal plan prepared after ~~June~~
 25 ~~30, 2015.~~ **June 30, 2019.** Any estimated effects on political
 26 subdivisions **and taxing units (as defined in IC 6-1.1-1-21)** in
 27 the county that are not part of the annexation and on taxpayers
 28 located in those political subdivisions **and taxing units (as**
 29 **defined in IC 6-1.1-1-21)** for four (4) years after the effective
 30 date of the annexation.
- 31 (9) This subdivision applies to a fiscal plan prepared after June
 32 30, 2015. A list of all parcels of property in the annexation
 33 territory and the following information regarding each parcel:
 34 (A) The name of the owner of the parcel.
 35 (B) The parcel identification number.
 36 (C) The most recent assessed value of the parcel.
 37 (D) The existence of a known waiver of the right to
 38 remonstrate on the parcel. This clause applies only to a fiscal
 39 plan prepared after June 30, 2016.
- 40 (e) At the hearing under section 12 of this chapter, the court shall do
 41 the following:
 42 (1) Consider evidence on the conditions listed in ~~subdivision~~



- 1 **subdivisions (2) and (3).**
 2 (2) Order a proposed annexation not to take place if the court
 3 finds that all of the following conditions that are applicable to the
 4 annexation exist in the territory proposed to be annexed:
 5 (A) This clause applies only to an annexation for which an
 6 annexation ordinance was adopted before July 1, 2015. The
 7 following services are adequately furnished by a provider
 8 other than the municipality seeking the annexation:
 9 (i) Police and fire protection.
 10 (ii) Street and road maintenance.
 11 (B) The annexation will have a significant financial impact on
 12 the residents or owners of land. The court may not consider:
 13 (i) the personal finances; or
 14 (ii) the business finances;
 15 of a resident or owner of land. The personal and business
 16 financial records of the residents or owners of land, including
 17 state, federal, and local income tax returns, may not be subject
 18 to a subpoena or discovery proceedings.
 19 (C) The annexation is not in the best interests of the owners of
 20 land in the territory proposed to be annexed as set forth in
 21 subsection (f).
 22 (D) This clause applies only to an annexation for which an
 23 annexation ordinance is adopted before July 1, 2015. One (1)
 24 of the following opposes the annexation:
 25 (i) At least sixty-five percent (65%) of the owners of land in
 26 the territory proposed to be annexed.
 27 (ii) The owners of more than seventy-five percent (75%) in
 28 assessed valuation of the land in the territory proposed to be
 29 annexed.
 30 Evidence of opposition may be expressed by any owner of land
 31 in the territory proposed to be annexed.
 32 (E) This clause applies only to an annexation for which an
 33 annexation ordinance is adopted after June 30, 2015. One (1)
 34 of the following opposes the annexation:
 35 (i) At least fifty-one percent (51%) of the owners of land in
 36 the territory proposed to be annexed.
 37 (ii) The owners of more than sixty percent (60%) in assessed
 38 valuation of the land in the territory proposed to be annexed.
 39 The remonstrance petitions filed with the court under section
 40 11 of this chapter are evidence of the number of owners of
 41 land that oppose the annexation, minus any written revocations
 42 of remonstrances that are filed with the court under section 11



- 1 of this chapter.
- 2 (F) This clause applies only to an annexation for which an
- 3 annexation ordinance is adopted before July 1, 2015. This
- 4 clause applies only to an annexation in which eighty percent
- 5 (80%) of the boundary of the territory proposed to be annexed
- 6 is contiguous to the municipality and the territory consists of
- 7 not more than one hundred (100) parcels. At least seventy-five
- 8 percent (75%) of the owners of land in the territory proposed
- 9 to be annexed oppose the annexation as determined under
- 10 section 11(b) of this chapter.
- 11 (f) The municipality under subsection (e)(2)(C) bears the burden of
- 12 proving that the annexation is in the best interests of the owners of land
- 13 in the territory proposed to be annexed. In determining this issue, the
- 14 court may consider whether the municipality has extended sewer or
- 15 water services to the entire territory to be annexed:
- 16 (1) within the three (3) years preceding the date of the
- 17 introduction of the annexation ordinance; or
- 18 (2) under a contract in lieu of annexation entered into under
- 19 IC 36-4-3-21.
- 20 The court may not consider the provision of water services as a result
- 21 of an order by the Indiana utility regulatory commission to constitute
- 22 the provision of water services to the territory to be annexed.
- 23 (g) The most recent:
- 24 (1) federal decennial census;
- 25 (2) federal special census;
- 26 (3) special tabulation; or
- 27 (4) corrected population count;
- 28 shall be used as evidence of resident population density for purposes
- 29 of subsection (b)(2)(A), but this evidence may be rebutted by other
- 30 evidence of population density.
- 31 (h) A municipality that prepares a fiscal plan after June 30, 2015,
- 32 must comply with this subsection. A municipality may not amend the
- 33 fiscal plan after the date that a remonstrance is filed with the court
- 34 under section 11 of this chapter, unless amendment of the fiscal plan
- 35 is consented to by at least sixty-five percent (65%) of the persons who
- 36 signed the remonstrance petition.
- 37 (i) The municipality must submit proof that the municipality has
- 38 complied with:
- 39 (A) the outreach program requirements and notice requirements
- 40 of section 1.7 of this chapter; and
- 41 (B) the requirements of section 11.1 of this chapter.



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 556, 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 3, delete lines 39 through 42.

Delete pages 4 through 6.

Page 7, delete lines 1 through 18, begin a new paragraph and insert:

SECTION 5. IC 36-4-3-10.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 10.1. (a) This section applies only to an annexation ordinance adopted after June 30, 2019.**

(b) This section applies if:

(1) for the assessment date in the calendar year preceding the calendar year in which the annexation ordinance is adopted, the total gross assessed value of all taxable property of the territory annexed by the municipality in all ordinances adopted on the same date is more than five percent (5%) of the total gross assessed value of all taxable property in the municipality (without considering the territory to be annexed in the ordinance or ordinances); and

(2) section 10.2 of this chapter does not apply.

(c) An annexation ordinance adopted under section 5 or 5.1 of this chapter is not subject to review by the county executive under this section. However, the total gross assessed value of any taxable property that the municipality annexed in an ordinance under section 5 or 5.1 of this chapter shall be included in calculating the total gross assessed value of all taxable property of the territory under this section, if the ordinance adopted under section 5 or 5.1 of this chapter was adopted on the same date as the other annexation ordinances.

(d) The municipality shall file the annexation ordinance and fiscal plan with the county executive of each county in which the annexation territory is located not later than seven (7) business days after the annexation ordinance is adopted. Not later than fifteen (15) business days after the annexation ordinance and fiscal plan are filed with the county executive, the county executive shall hold a meeting for the purpose of voting on whether the county executive will review the annexation.

(e) If a county executive votes unanimously to review the annexation, the following apply:

(1) The annexation may proceed under section 11.1(d) of this



chapter unless the annexation is denied by each county executive in which the territory is located within ninety (90) days after the annexation is filed with the county executive.

(2) An annexation is terminated and may not proceed under section 11.1(d) of this chapter if a majority of the members of a county executive votes to deny the annexation.

(f) Each county executive that receives an annexation under this section shall provide notice of the following:

(1) Whether the county executive will review the annexation ordinance.

(2) If the annexation is reviewed by the county executive, notice that:

(A) the annexation was denied by a majority vote of the county executive; or

(B) the annexation may proceed because the county executive did not take action to deny the annexation proposal by the date specified in subsection (e)(1).

The county executive shall provide the notice by publication in accordance with IC 5-3-1 and to owners of real property described in section 2.2 of this chapter and taxing units and political subdivisions described in section 1.3 of this chapter. The municipality shall provide the county executive with the names and addresses of owners of real property under section 2.2 of this chapter and the fiscal officers of the taxing units and political subdivisions under section 1.3 of this chapter.

(g) The failure of a county executive to review, deny, or take any action on an annexation does not affect the right of a landowner to remonstrate, file an appeal, or take any other action with respect to the annexation that is permitted by law.

SECTION 6. IC 36-4-3-10.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10.2. (a) This section applies only to an annexation ordinance adopted after June 30, 2019.

(b) This section applies only if, for the assessment date in the calendar year preceding the calendar year in which the annexation ordinance or ordinances are adopted, the total gross assessed value of all taxable property of the territory that is annexed by the municipality in all annexation ordinances adopted during the calendar year is more than fifteen percent (15%) of the total gross assessed value of all taxable property in the annexing municipality (without considering the territory to be annexed in the ordinance or ordinances).



(c) An annexation ordinance adopted under section 5 or 5.1 of this chapter is not subject to review by the county executive under this section. However, the total gross assessed value of any taxable property that the municipality annexed in an ordinance under section 5 or 5.1 of this chapter shall be included in calculating the total gross assessed value of all taxable property of the territory under this section, if the ordinance was adopted during the same calendar year as the other annexation ordinances. An annexation ordinance adopted under section 5 or 5.1 of this chapter during the calendar year is voided with all other annexation ordinances if the county executive denies the annexation under this section.

(d) The municipality shall file the annexation ordinance and fiscal plan with the county executive of each county where the annexation territory is located not later than seven (7) business days after the annexation ordinance is adopted. The county executive shall review the annexation at a public meeting.

(e) If a majority of members of a county executive vote to deny the annexation not later than ninety (90) days after the date the annexation is filed with the county executive:

- (1) the annexation is terminated and may not proceed under section 11.1(d) of this chapter; and**
- (2) all annexation ordinances that are adopted by a municipality during a calendar year are void.**

The county executive may not vote to deny the annexation later than ninety (90) days after the date the annexation is filed with the county executive. A vote to deny the annexation that occurs later than ninety (90) days after the date the annexation is filed with the county executive is void. If the county executive does not vote to deny an annexation or does not take action on an annexation within the time set forth in this subsection, the annexation may proceed under section 11.1(d).

(f) Each county executive that receives an annexation under this section shall provide notice that:

- (1) the annexation was denied by a majority vote of the county executive; or**
- (2) the annexation may proceed because the county executive did not take action to deny the annexation proposal by the date specified under subsection (e).**

The county executive shall provide the notice by publication in accordance with IC 5-3-1 and to owners of real property described in section 2.2 of this chapter and taxing units and political subdivisions described in section 1.3 of this chapter. The



municipality shall provide the county executive with the names and addresses of owners of real property under section 2.2 of this chapter and the fiscal officers of the taxing units and political subdivisions under section 1.3 of this chapter.

(g) The failure of a county executive to review, deny, or take any action on an annexation does not affect the right of a landowner to remonstrate, file an appeal, or take any other action with respect to the annexation that is permitted by law."

Page 12, delete lines 33 through 36.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 556 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 6, Nays 1.

