

## HOUSE BILL No. 1327

---

### 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, 2026.

---

---

## Abbott

---

---

January 6, 2026, read first time and referred to Committee on Local Government.

---

---



Introduced

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1327

---

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, 2026]: 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.

2026

IN 1327—LS 7080/DI 87



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

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

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

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

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

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

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

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

(2) in accordance with this section;

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

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

SECTION 2. IC 36-4-3-2.1, AS AMENDED BY P.L.70-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2.1. (a) This section does not apply to an annexation under section 5.1, ~~or~~ 5.2, ~~or~~ 5.3 of this chapter.

(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, 2026]: 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, 2026]: 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.211-2025,  
 16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2026]: 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 the following:

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

14 (2) A municipality in a county having a population of more than  
15 eighty-two thousand (82,000) and less than eighty-three thousand  
16 (83,000).

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

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

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

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

29 (7) A municipality in a county having a population of more than  
30 thirty-two thousand (32,000) and less than thirty-three thousand  
31 (33,000).

32 (8) A municipality in a county having a population of more than  
33 twenty-three thousand (23,000) and less than twenty-three  
34 thousand three hundred seventy-five (23,375).

35 (9) A municipality in a county having a population of more than  
36 two hundred thousand (200,000) and less than two hundred fifty  
37 thousand (250,000).

38 (10) A municipality in a county having a population of more than  
39 two hundred fifty thousand (250,000) and less than three hundred  
40 thousand (300,000).

41 (11) A municipality in a county having a population of more than  
42 thirty thousand nine hundred (30,900) and less than thirty-two



1 thousand (32,000).

2 (12) A municipality in a county having a population of more than  
3 eighty thousand (80,000) and less than eighty thousand four  
4 hundred (80,400).

5 (13) A city having a population of more than five thousand one  
6 hundred forty (5,140) and less than five thousand two hundred  
7 (5,200).

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

27 (c) A city in a county with a population of more than two hundred  
28 fifty thousand (250,000) and less than three hundred thousand  
29 (300,000) may not annex territory as prescribed in subsection (b) until  
30 the territory is zoned by the county for industrial purposes.

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

34 (1) annexing additional territory:

35 (A) in a county that is not described by clause (B); or  
36 (B) in a county having a population of more than two hundred  
37 fifty thousand (250,000) and less than three hundred thousand  
38 (300,000), unless the boundaries of the noncontiguous territory  
39 become contiguous to the city, as allowed by Indiana law;

40 (2) expanding the municipality's extraterritorial jurisdictional  
41 area; or

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



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

(h) This subsection applies to a city having a population of more than twenty-eight thousand (28,000) and less than twenty-nine thousand (29,000). The city legislative body may, by ordinance, annex territory that:

15 (3) does not extend more than:

19 (D) one-half (1/2) mile to the south;

20 of an interchange of an interstate highway (as des

23 (4) is owned by the city or by a property owner that consents to  
24 the annexation.

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

29 (1) that is not contiguous to the city;

30 (2) that is south of the southernmost boundary of the city;

33 (4) that does not extend more than one (1) mile to the east of a  
34 state highway (as designated by the state highway authorities).

35 Territory annexed under this subsection is not considered a part of the  
36 city for purposes of annexation of additional territory. A city may not  
37 require connection to a sewer installed to provide service to territory  
38 annexed under this subsection.

(j) A municipality may annex a residential development under section 5.2 of this chapter that is not contiguous to the municipality. A **town may annex a residential development under section 5.3 of this chapter that is not contiguous to the town.**



1 SECTION 6. IC 36-4-3-5.3 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2026]: Sec. 5.3. (a) As used in this section, "residential  
4 development" means a parcel of land that is subdivided or will be  
5 subdivided into:

6 (1) lots, parcels, tracts, units, or interests that:

7 (A) include an existing Class 2 structure (as defined in  
8 IC 22-12-1-5); or

9 (B) are designated for the construction of a Class 2  
10 structure;

11 each of which is encumbered by substantively identical  
12 restrictive covenants concerning one (1) or more servient  
13 estates located within the boundaries of the original undivided  
14 parcel, or other governing document of record;

15 (2) lots, parcels, tracts, units, or interests that:

16 (A) include an existing Class 1 structure (as defined in  
17 IC 22-12-1-4); or

18 (B) are designated for the construction of a Class 1  
19 structure; and

20 (3) a common area.

21 (b) In addition to annexing territory under section 3, 4, 5, or 5.1  
22 of this chapter, a town may annex a residential development that  
23 is not contiguous to the town, if all of the following are satisfied:

24 (1) At least fifty (50) proposed single family lots and sixty (60)  
25 proposed multi-family lots will be within the residential  
26 development.

27 (2) The nearest boundary of the residential development is at  
28 least one and six-tenths (1.6) miles and not more than two and  
29 six-tenths (2.6) miles outside the town's corporate boundaries.

30 (3) Upon construction, the residential development dwellings  
31 will be connected to the:

32 (A) water service of the town; and

33 (B) sewer service of the town or a regional sewer district  
34 established under IC 13-26.

35 (4) The residential development includes a commercial area  
36 containing or proposed to contain buildings intended to be  
37 used and operated for commercial purposes.

38 (5) The residential development that connects the residential  
39 development to the corporate limits of the town is adjacent to  
40 the public highway right-of-way which is part of the state  
41 highway system (as defined in IC 8-23-1-40).

42 (6) The annexation territory includes only the public highway



**right-of-way and the residential development.**

(7) The aggregate external boundary of the annexation territory that coincides with the boundary of the municipality is greater than zero (0).

(c) The owner of the property that is the site of the residential development may file a petition with the legislative body of the town requesting the town to annex all of the property that comprises the residential development site. The annexation may proceed only if the town adopts a resolution approving the initiation of the annexation process not more than sixty (60) days after the petition is filed. If the town does not adopt a resolution within the sixty (60) day period, the petition is void.

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

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

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

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

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

(1) section 1.5 of this chapter does not apply; and  
(2) the landowner of the public highway right-of-way that is part of the state highway system (as defined in IC 8-23-1-40) is considered to be the state of Indiana.

(h) An annexation ordinance adopted under this section takes effect not less than thirty (30) days after the adoption of the ordinance and upon the filing and recording of the ordinance



1                   **under section 22 of this chapter.**

2                   SECTION 7. IC 36-4-3-7, AS AMENDED BY P.L.1-2025,  
 3                   SECTION 235, IS AMENDED TO READ AS FOLLOWS  
 4                   [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) After an ordinance is adopted  
 5                   under section 3, 4, 5, 5.1, **or** 5.2, **or** 5.3 of this chapter, it must be  
 6                   published in the manner prescribed by IC 5-3-1. Except as provided in  
 7                   subsection (b), (c), or (e), in the absence of remonstrance and appeal  
 8                   under section 11 or 15.5 of this chapter, the ordinance takes effect at  
 9                   least ninety (90) days after its publication and upon the filing required  
 10                  by section 22(a) of this chapter.

11                  (b) For the purposes of this section, territory that has been:

- 12                   (1) added to an existing fire protection district under  
                       IC 36-8-11-11; or
- 13                   (2) approved by ordinance of the county legislative body to be  
                       added to an existing fire protection district under IC 36-8-11-11,  
                       notwithstanding that the territory's addition to the fire protection  
                       district has not yet taken effect;

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

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

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

27                  (d) This subsection applies only to a fire protection district  
 28                  established after July 1, 1987. This subsection does not apply to an  
 29                  annexation under subsection (f). If the fire protection district from  
 30                  which a municipality annexes territory is indebted or has outstanding  
 31                  unpaid bonds or other obligations at the time the annexation is  
 32                  effective, the municipality is liable for and shall pay that indebtedness  
 33                  in the same ratio as the assessed valuation of the property in the  
 34                  annexed territory (that is part of the fire protection district) bears to the  
 35                  assessed valuation of all property in the fire protection district, as



1 shown by the most recent assessment for taxation before the  
 2 annexation, unless the assessed property within the municipality is  
 3 already liable for the indebtedness. The annexing municipality shall  
 4 pay its indebtedness under this section to the board of fire trustees. If  
 5 the indebtedness consists of outstanding unpaid bonds or notes of the  
 6 fire protection district, the payments to the board of fire trustees shall  
 7 be made as the principal or interest on the bonds or notes becomes due.

8 (e) This subsection applies to an annexation initiated by property  
 9 owners under section 5.1 of this chapter in which all property owners  
 10 within the area to be annexed petition the municipality to be annexed.  
 11 Subject to subsection (c), and in the absence of an appeal under section  
 12 15.5 of this chapter, an annexation ordinance takes effect at least thirty  
 13 (30) days after its publication and upon the filing required by section  
 14 22(a) of this chapter.

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

19 (1) the annexed area shall remain a part of the fire protection  
 20 district after the annexation takes effect; and  
 21 (2) the fire protection district shall continue to provide fire  
 22 protection services to the annexed area.

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

31 (g) **This subsection applies to an annexation initiated by a  
 32 property owner under section 5.3 of this chapter. Subject to  
 33 subsection (c), an annexation ordinance takes effect at least thirty  
 34 (30) days after the ordinance's publication and upon the filing  
 35 required by section 22(a) of this chapter.**

36 SECTION 8. IC 36-4-3-7.2, AS AMENDED BY P.L.1-2025,  
 37 SECTION 236, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2026]: Sec. 7.2. (a) This section applies to an  
 39 annexation that satisfies all of the following:

40 (1) The annexation ordinance is adopted after December 31,  
 41 2020.  
 42 (2) The annexation is initiated by property owners under section



1       5.1 of this chapter in which all property owners within the  
 2       annexation territory petition the municipality to be annexed.

3       (3) All or part of the annexation territory is within a fire  
 4       protection district that was established after July 1, 1987.

5       (4) At least a majority of the members of the board of trustees of  
 6       the fire protection district adopt a resolution consenting to the  
 7       annexation.

8       (5) The portion of the annexation territory located within the fire  
 9       protection district constitutes less than three percent (3%) of the  
 10       total net assessed value (as determined by the county auditor) of  
 11       the fire protection district on the date the annexation ordinance is  
 12       adopted.

13       (b) Section 7(b) and 7(d) of this chapter apply to an annexation  
 14       under this section.

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

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

22       SECTION 9. IC 36-4-3-8 IS AMENDED TO READ AS FOLLOWS  
 23       [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) This section does not apply  
 24       to an ordinance adopted under section 5, ~~or~~ 5.1, ~~or~~ **5.3** of this chapter.

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

29       (1) postponing the effective date of the annexation for not more  
 30       than three (3) years; and

31       (2) establishing equitable provisions for the future management  
 32       and improvement of the annexed territory and for the rendering of  
 33       needed services.

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

36       (1) The resident population density of the territory is at least three  
 37       (3) persons per acre.

38       (2) The territory is subdivided or is parceled through separate  
 39       ownerships into lots or parcels such that at least sixty percent  
 40       (60%) of the total number of lots and parcels are not more than  
 41       one (1) acre.

42       This subsection does not apply to an ordinance annexing territory



1       described in section 4(a)(2), 4(a)(3), 4(b), or 4(h) of this chapter. The  
 2       ordinance must include terms and conditions impounding in a special  
 3       fund all of the municipal property taxes imposed on the annexed  
 4       territory after the annexation takes effect that are not used to meet the  
 5       basic services described in section 13(d)(4) and 13(d)(5) of this chapter  
 6       for a period of at least three (3) years. The impounded property taxes  
 7       must be used to provide additional services that were not specified in  
 8       the plan of annexation. The impounded property taxes in the fund shall  
 9       be expended as set forth in this section, not later than five (5) years  
 10      after the annexation becomes effective.

11      SECTION 10. IC 36-4-3-9, AS AMENDED BY P.L.243-2013,  
 12      SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13      JULY 1, 2026]: Sec. 9. (a) A town must obtain the consent of both the  
 14      metropolitan development commission and the legislative body of a  
 15      county having a consolidated city before annexing territory within the  
 16      county where a consolidated city is located.

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

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

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

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

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

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

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

29           (A) an annexation under section 5, **or 5.1, or 5.3** of this  
 30           chapter; or

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

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

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

41      SECTION 11. IC 36-4-3-11, AS AMENDED BY P.L.206-2016,  
 42      SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2026]: Sec. 11. (a) This subsection applies only to an  
 2 annexation for which an annexation ordinance was adopted before July  
 3 1, 2015. Except as provided in section 5.1(i) of this chapter and  
 4 subsections (e) and (f), whenever territory is annexed by a municipality  
 5 under this chapter, the annexation may be appealed by filing with the  
 6 circuit or superior court of a county in which the annexed territory is  
 7 located a written remonstrance signed by:

8 (1) at least sixty-five percent (65%) of the owners of land in the  
 9 annexed territory; or  
 10 (2) the owners of more than seventy-five percent (75%) in  
 11 assessed valuation of the land in the annexed territory.

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

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

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

33 (d) This subsection applies only to an annexation for which an  
 34 annexation ordinance was adopted after June 30, 2015. If the  
 35 requirements of section 11.3(c) or (after December 31, 2016) section  
 36 11.4 of this chapter are met, the annexation may be appealed by filing  
 37 with the circuit or superior court of a county in which the annexed  
 38 territory is located:

39 (1) the signed remonstrances filed with the county auditor;  
 40 (2) the county auditor's certification under section 11.2(i) of this  
 41 chapter;  
 42 (3) the annexation ordinance; and



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

(e) If an annexation is initiated by property owners under section 5.1 or 5.3 of this chapter and all property owners within the area to be annexed petition the municipality to be annexed, a remonstrance to the annexation may not be filed under this section.

16 (1) the territory to be annexed consists of not more than one  
17 hundred (100) parcels; and  
18 (2) eighty percent (80%) of the boundary of the territory proposed  
19 to be annexed is contiguous to the municipality.

20 An annexation may be appealed by filing with the circuit or superior  
21 court of a county in which the annexed territory is located a written  
22 remonstrance signed by at least seventy-five percent (75%) of the  
23 owners of land in the annexed territory as determined under subsection  
24 (b).

