

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.



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.



(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



annexed territory.

(d) The notice required by this section must include the following:

(1) A legal description of the real property proposed to be annexed.

(2) The date, time, location, and subject of the hearing.

(3) A map showing the current municipal boundaries and the proposed municipal boundaries.

(4) Current zoning classifications for the area proposed to be annexed and any proposed zoning changes for the area proposed to be annexed.

(5) A detailed summary of the fiscal plan, described in section 13 of this chapter, if applicable.

(6) The location where the public may inspect and copy the fiscal plan, if applicable.

(7) A statement that the municipality will provide a copy of the fiscal plan, if applicable, after the fiscal plan is adopted immediately to any landowner in the annexed territory who requests a copy.

(8) The name and telephone number of a representative of the municipality who may be contacted for further information.

(e) If the municipality complies with this section, the notice is not invalidated if the owner does not receive the notice.

(f) This subsection applies to an annexation under section 3 or 4 of this chapter in which all property owners within the area to be annexed provide written consent to the annexation. The written notice described in this section must be sent by:

(1) certified mail, return receipt requested; or

(2) any other means of delivery that includes a return receipt;

not later than twenty (20) days before the date of the hearing to each owner of real property, as shown on the county auditor's current tax list, whose real property is located within the territory proposed to be annexed.

(g) This subsection applies to an annexation under section 5.2 of this chapter. The written notice described in this section must be sent by:

(1) certified mail, return receipt requested; or

(2) any other means of delivery that includes a return receipt;

not later than thirty (30) days before the date of the hearing to each owner of real property, as shown on the county auditor's current tax list, whose real property is located within the territory proposed to be annexed.

SECTION 4. IC 36-4-3-3.1, AS AMENDED BY P.L.70-2022,



SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) This section does not apply to an annexation under section 4(a)(2), 4(a)(3), 4(b), 4(h), or 4.1 of this chapter.

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

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

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

SECTION 5. IC 36-4-3-4, AS AMENDED BY P.L.211-2025, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The legislative body of a municipality may, by ordinance, annex any of the following:

(1) Territory that is contiguous to the municipality.

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

(A) An airport or landing field.

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

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

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

(B) a police station of the municipality; or

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

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



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

(b) This subsection applies to the following:

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

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

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

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

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

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

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

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

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

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

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



thousand (32,000).

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

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

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

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

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

(1) annexing additional territory:

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

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

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

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



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

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

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

(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:

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

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

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



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

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

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

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

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

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

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

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

(3) a common area.

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

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

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

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

(A) water service of the town; and

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

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

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

(6) The annexation territory includes only the public highway



1 right-of-way and the residential development.

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

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

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

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

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

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

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

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



under section 22 of this chapter.

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

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

- (1) added to an existing fire protection district under IC 36-8-11-11; or
- (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;

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

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

- (1) provide fire protection to that territory beginning the date the ordinance is effective; and
- (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.

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



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

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

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

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

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

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

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

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

(2) an annexation by a town that is:

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

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

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

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

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



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

(1) at least sixty-five percent (65%) of the owners of land in the annexed territory; or

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

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

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

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

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

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

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

(3) the annexation ordinance; and



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

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

(f) This subsection applies only to an annexation for which an annexation ordinance is adopted before July 1, 2015. This subsection applies if:

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

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

