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### **IC 36-4-3: Municipal Annexation and Disannexation**

Landowners in unincorporated areas of the state have been faced with an avalanche of involuntary annexation. Not only have the proposed annexations been more frequent but they have also included many more acres of bare land. Almost without exception these annexations are proposed contrary to the wishes of landowners who surround the municipalities.

Rather than annex territory to provide services or economic development incentives specific to cities and towns, annexations are now openly pursued to pull off tax revenue from other units for two primary reasons - to overcome municipal circuit breaker loss and to fill the coffers of TIF districts.

In addition to a burdensome statutory process and follow-up court proceeding, individual citizens that are landowners in areas being annexed are up against the resources of the city/town.

Aside from tax revenues, municipalities are pursuing annexations for access to underground water supplies not just for current residents or development, but to sell the water resources currently belonging to a private landowner to profit the cities cash flow.

### **Problems primarily with Involuntary Annexation**

Landowners in a proposed annexation have no standing or practical political clout with municipal officials who pursue an involuntary annexation.

The judicial process is the only one available to remonstrators against an involuntary annexation.

Access to the judicial process can only be accessed through a landowner petition for those who want to fight a proposed annexation.

The threshold for a remonstrance petition is very high at 65% of landowners and 75% of assessed value.

The standards for the remonstrance thresholds are often different depending on which local source is cited – county assessor vs. county auditor vs. municipality.

The judge decides if the petition is sufficient which is in contradiction to most other petition processes in the law.

Citizens must engage legal counsel to participate in the judicial process triggered by sufficient objection petitions which is expensive. Landowners in Fortville had to raise \$40,000 to fight their annexation.

Fiscal plans are vague and do not have to meet any standard of sufficiency. Case law has basically eliminated fiscal plans as a valid matter of objection in the court process.

No accountability to those being annexed for delivering objectives in fiscal plan.

Language in SB 285-2013 concerning treatment of annexed farmland needs refinement.

Proposed annexation areas are a moving target. Annexation fiscal plans and ordinances can change right up final passage.

### **Solutions supported by Indiana Farm Bureau, Inc. members**

Putting process in hands of landowners by deleting all references to the court's role in an annexation remonstrance process:

- how decision is made by the court on sufficiency of petition,
- whether or not landowners should be able determine the use of their property, and
- whether or not the annexation is approved.

Replacing references to remonstrating petition process with language similar to what is found in IC 6-1.1-20 for other petition remonstrance processes, including form of petitions, validity of signatures, and restrictions on promoting annexation (this prohibition was added to IC 36-1.5 in 2013).

Changing the petition threshold for requesting a voluntary annexation to the same as a remonstrating petition.

Requiring consent of the County Commissioners to extend "two-mile fringe" when annexation occurs  
Creating automatic review of annexation after three (3) years and strengthening disannexation procedures

Model the required annexation fiscal plan to same standards required for governmental mergers/reorganization added in 2013 to IC 36-1.5.

Limit ability to amend the proposed annexation plan or ordinance after the annexation proposal is introduced.

Disannexation process needs to occur automatically when objectives in fiscal plan are not met within 3-5 years. This process needs to be more simple and achievable – at least similar to the remonstrance procedure.