

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8049
BILL NUMBER: HB 1608

DATE PREPARED: Apr 13, 1999
BILL AMENDED: Apr 12, 1999

SUBJECT: Annexation provisions.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill provides that a municipality shall hold a public hearing on an annexation not earlier than 60 days after the date the annexation ordinance is introduced. A municipality may adopt an annexation ordinance not earlier than 30 or not later than 60 days after the public hearing on the annexation.

Regarding certain annexations, written notice of the annexation must be sent at least 60 days before the date of the public hearing by certified mail to the landowners in the territory proposed to be annexed. This bill specifies the information that must be included in the written notice sent to landowners in the area proposed to be annexed.

The public hearing is required to be published at least 60 days before the hearing.

This bill provides that for municipalities other than cities in St. Joseph County, a remonstrance petition must contain the signatures of at least 65% of the owners of land in the annexed territory or the owners of more than 75% of the assessed valuation of land in the annexed territory. (Current law provides that a remonstrance petition must contain the signatures of a majority of owners of land in the annexed territory or the owners of more than 75% in assessed valuation of the land in the annexed territory.) Additionally, a remonstrance petition filed in an annexation by a city in St. Joseph County must contain the signatures of the majority of owners of land in the annexed territory or the owners of more than 75% in assessed valuation of the land in the annexed territory. Extends the period for filing a remonstrance from 60 days to 90 days. Requires a court to order an annexation not to take place if certain requirements are met. (Under current law, the court may order an annexation not to take place only if these requirements are met in an annexation by a city in St. Joseph County.)

This bill specifies that a municipality must adopt a written fiscal plan for certain annexations. It also specifies additional information that must be included in the fiscal plan. The requirement currently in the law that the

fiscal plan include the plan for hiring the employees of other governmental entities whose jobs will be eliminated by the proposed annexation is removed.

This bill provides that all municipalities must provide noncapital and capital services to an annexed area that are equivalent to services provided within the municipality regardless of similar topography, patterns of land use, and population density. (Current law requires municipalities other than cities in St. Joseph County to provide services to the annexed area that are equivalent to those services provided within the municipality that have similar topography, patterns of land use, and population density.)

The Secretary of State and township trustee must receive annexation and disannexation filings.

Effective Date: (Amended) July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) The filing requirements with the Secretary of State can be absorbed within their existing budget.

Explanation of Local Expenditures: (Revised) This bill requires that the notice of a public hearing of certain annexations must be sent by certified mail to persons owning real property within the territory proposed to be annexed. The cost of sending an article certified mail through the U.S. Postal Service is \$2.78 (\$1.35 for certification; \$0.33 postage; and \$1.10 for a return signed certification card). This bill could increase the number of individuals who would be required to receive notice of a proposed annexation. Implementation of the provisions of this bill would increase the cost to a municipality. The fiscal impact of this bill is indeterminable.

The provisions of this bill would require notification of annexation to additional entities. The bill also requires that any annexation ordinance must be forwarded to the township trustee of each township in which the township has either lost or been granted jurisdiction over the annexed territory. The fiscal impact of these provisions is minimal and can be done within the existing budget.

This bill provides that for municipalities other than cities in St. Joseph County, a remonstrance petition must contain the signatures of at least 65% of the owners of land in the annexed territory or the owners of more than 75% of the assessed valuation of land in the annexed territory. (Current law provides that a remonstrance petition must contain the signatures of a majority of owners of land in the annexed territory or the owners of more than 75% in assessed valuation of the land in the annexed territory.) Additionally, a remonstrance petition filed in an annexation by a city in St. Joseph County must contain the signatures of the majority of owners of land in the annexed territory or the owners of more than 75% in assessed valuation of the land in the annexed territory. Extends the period for filing a remonstrance from 60 days to 90 days. Requires a court to order an annexation not to take place if certain requirements are met. (Under current law, the court may order an annexation not to take place only if these requirements are met in an annexation by a city in St. Joseph County.) The additional 30 days could give remonstrators more time to organize the number of landowners necessary to successfully appeal the annexation. If the appeal is successful the property owners would not receive municipal services. The fiscal impact of this provision is dependent on the outcome of a remonstrance.

The remaining provisions of this bill have a minimal or no fiscal impact.

Explanation of Local Revenues: (Revised) If a remonstrance petition is filed and the appeal to an annexation is successful, the property owners of the proposed annexed territory would not have to pay the increased property taxes.

State Agencies Affected: Secretary of State.

Local Agencies Affected: Clerk of the annexing municipality; Township trustee.

Information Sources: U.S. Postal Service, Customer Information, (317) 464-6000.