



ANNEXATION

Frequently Asked Questions

As of October 22, 2021 at 12:01 p.m.

- **What is annexation?**

Annexation is a procedure for bringing unincorporated areas of a county into an adjacent incorporated city or town. In short, annexed properties become “in the city.” The process is outlined in Indiana Code 36-4-3, and allows a municipality to expand its boundaries to include existing developed or urban areas and to accommodate future growth opportunities and planning.

- **Why is the City proposing these annexations?**

Cities annex land to allow for the long-term planning necessary to accommodate a growing community and to facilitate the planning and budgeting of services and infrastructure.

Annexation is critical to the long-term health of our community. Whether we live on one side of the city limits or the other, we are one community with shared circumstances and goals. Bloomington’s economic, social, and environmental issues affect all of us. Annexation of land where growth has already occurred, and where additional growth is likely, allows the City to plan the area in a comprehensive way that promotes shared values and goals. As a result, annexed areas benefit from adequate roads, parks, and open space, as well as services such as policing and trash and recycling collection that may be efficiently and economically provided.

In many successful cities, annexation is a regular, continual process that allows a city to keep pace with natural increases in population and development; until 17 years ago, Bloomington was no exception. The original town platted in 1818 stretched four blocks east and west of the downtown square and two blocks north and south. Today, after hundreds of annexations -- 591 since 1940 alone -- Bloomington comprises just over 23 square miles.

Several decades ago, the County and City agreed on a “Two-Mile Fringe” as a planning jurisdiction boundary. At the time, the County did not have a comprehensive plan for development and land use. The City and County agreed that the City would be the most appropriate planning authority over these areas that were likely to become part of the



City in the future through annexation. Later, as the County began to develop its planning capabilities, the City and County negotiated an agreement granting the City planning jurisdiction over a somewhat smaller unincorporated area, which became known as the "AIFA," or Areas Intended for Annexation. The AIFA was intended to be in place for sufficient time to allow the City to annex the areas over a multi-year period. Some portions of the AIFA were annexed. In other portions of the AIFA, planning jurisdiction was turned back over to the County when the agreement expired and the City had not pursued annexations. In 2012, the county released a Comprehensive Plan that indicated some of these portions as "Bloomington Urbanizing Area." Meanwhile, the former AIFA, the original two-mile fringe, and the Bloomington Urbanizing Area have continued to develop as anticipated, and the eight areas proposed for annexation comprise an area that is somewhere between those two previously delineated boundaries.

Apart from the voluntary annexation of a single property in 2007, Bloomington's last annexation was in 2004. As a consequence, the city's boundaries no longer correspond to the extent of our community, which has experienced tremendous growth outside the city limits over the last 17 years. Many of the areas currently proposed for annexation have been identified for decades as areas to be annexed, and many of the current or prior property owners agreed to be annexed in the future in exchange for City sewer service.

Some of the areas proposed for annexation are islands completely surrounded by the city, while others have developed outside the existing boundaries as a part of the Bloomington community. The proposed annexation will allow all households and businesses to be a part of the same future. It will allow the greater community to enjoy improved and more efficient delivery of local government services.

- **What is the procedure for annexation?**

The procedure for annexation is detailed in the Indiana Code and generally includes the following steps, some of which have already been completed:

- Mail notice to every property owner in the proposed annexation area of the dates and times for 6 public outreach sessions
- Hold the public outreach sessions
- Introduce the annexation ordinances in a City Council meeting and adopt fiscal plans
- Publish and provide notice to property owners of upcoming public hearings on the ordinances
- Hold the public hearings
- Hold City Council meeting to consider adoption of the ordinances
- Publish the adoption of the ordinances and mail information to property owners about the remonstrance process (the legal process by which property owners may formally object to the proposed annexation)

- **When did Bloomington's current annexation process begin? Why was it stalled?**

Bloomington began the current annexation process in February of 2017. On March 29, 2017, the City Council introduced the ordinances and adopted the fiscal plans. Six public outreach sessions had already taken place, and notice of the public hearings had already been mailed to every property owner when, on April 21, 2017, the Indiana legislature passed a law that terminated Bloomington's, and only Bloomington's, annexation. The law also prohibited any annexation of the proposed areas until 2022. The City sued the State of Indiana and the case went all the way to the Indiana Supreme Court, which issued a decision on December 15, 2020 in favor of the City. The Court held that the law preventing Bloomington's annexation efforts was unconstitutional.

Bloomington is now continuing its annexation from the point at which it was unconstitutionally terminated in 2017. The City is considering the same eight areas for annexation and is committed to ensuring that all members of the public, including potentially affected residents, have an opportunity to provide input and be fully informed about how any changes may affect them. The City Council will first adopt updated fiscal plans for the annexation areas, and the next step will be to provide notice to every owner of property in the proposed annexation areas that there will be a public hearing on the ordinances. After the public hearing, the City Council will have the opportunity in another public meeting to adopt the ordinances.

- **Am I in the annexed area?**

Please visit our website at bloomington.in.gov/annex to view maps of the potential annexation areas and to search for an address using the property lookup tool.

- **What is the timeline for the annexation process?**

- May 13: City releases annexation fiscal plans
- May 19: City Council considers adoption of amended fiscal plans and a request for technical updates to the 2017 ordinances for the proposed annexation areas
- June 1: City provides notice to property owners of upcoming public hearings to review and evaluate boundaries proposed by ordinances
- August 4 and August 11: City Council holds public hearings
- September 15 and 22: City Council meets to consider adoption of the annexation ordinances, votes to pass seven of the original eight ordinances
- October 8: City publishes the adoption of the ordinances and mails information to property owners about the remonstrance process
- January 6, 2022: Remonstrance period closes
- January 1, 2024: Annexation becomes effective and annexed areas formally become part of Bloomington

- **Will taxes increase on the annexed land?**

Annexation generally adds a municipal layer of property taxes to the existing tax layers on a property (school, county, township, library, etc.), and the City anticipates that most properties in the annexation areas would experience a tax increase beginning in 2025, the year after the annexation is effective. Property owners may benefit from an increased federal income-tax deduction as a result of the increased property tax obligation. Property zoned agricultural would likely not see an increase unless/until the property is rezoned and developed with the landowner's permission. See below for information about possible sewer rate reductions as well.

Notably, even after annexation, the estimated property taxes would be substantially lower than comparable communities around the state and surrounding areas because of the relatively low property tax rate in Monroe County.

● **Once annexed, when do City taxes show up on property tax bills?**

Not until 2025 (taxes assessed in 2024 and payable in 2025).

● **What services does the City provide to the areas that are annexed?**

Upon annexation, the areas are generally assured of receiving City services in the same manner they are provided or made available to the City's current residents and businesses. The areas proposed for annexation would receive the following enhanced services:

- City police services, including more police officers
- City street maintenance and snow plowing
- Sidewalk construction and sidepath construction and maintenance
- Stormwater management
- Curbside trash and recycling collection
- Tenant/landlord resources, including rental housing safety inspections
- Neighborhood grants funding infrastructure and programming
- Water and sewer service (see next question)
- Opportunities for transit expansion
- Opportunities for additional parks, trails, and playgrounds
- Access to additional programming, resources, and services from City departments including Parks and Recreation, Housing and Neighborhood Development (HAND), Community and Family Resources (CFRD), Economic and Sustainable Development (ESD), and others

One exception to the services the City would provide is fire services. In 2019, after the state had unlawfully stopped Bloomington's annexation, the Indiana legislature passed a law that prohibits cities of a certain size from providing fire services to annexed areas

that are part of a fire district. This law applies to Bloomington, so at this time the City would not be permitted to provide fire services to any portion of the proposed annexation areas that lie within the Monroe Fire Protection District (MFPD) (although the Bloomington Fire Department and MFPD do provide mutual aid to one another when requested, per agreement). However, for purposes of illustration, the City has included in the fiscal plans both scenarios -- the fiscal impact *with* Bloomington fire services, and the impact *without* those services. The fiscal plans show that if the City were permitted to provide fire services, there would be more firefighters, new stations, and lower insurance costs for residents of the annexed areas due to the City's excellent fire insurance rating.

Additional benefits enjoyed by City residents include eligibility to vote in all municipal elections, to be elected to City offices, and to serve on a variety of appointed City boards and commissions. Being a resident means actively participating in the future of your community and the opportunity to let your voice be heard.

- **Will my sewer or water service change with annexation?**

The City is already the water provider to all areas, and the primary sewer provider to many of the proposed annexation areas. However, for those property owners in the annexed areas who are not currently on City service, the annexation may make sewer extensions available to those property owners who want them, as well as to developers, if feasible. Property owners in the proposed annexed areas who are already using the City's sewer service will experience an average reduction in their sewer rates of approximately 11%.

- **Beyond sanitation, road maintenance, and the possibility for sewer, are there other benefits or opportunities for those living within city limits that are not available to those outside them?**

Yes, many City departments offer programming, grant funding, and other services to those who live within the City of Bloomington. Here is a selection of those benefits:

CITY COUNCIL

- Jack Hopkins Social Services Grant Program:
<https://bloomington.in.gov/council/jack-hopkins>

ESD

- Solar and Energy Efficiency Loan (SEEL) Program:
<https://bloomington.in.gov/sustainability/seel>
- Bloomington Green Home Improvement Program:
<https://bloomington.in.gov/sustainability/bghip>

- Bloomington Arts Commission Project Support Grant:
<https://bloomington.in.gov/arts/grants>
- Bloomington Arts Commission Operational Support Grant:
<https://bloomington.in.gov/arts/grants>

FIRE

- Fire Department Job Shadowing
[Parental Release, Hold Harmless, and Indemnification Agreement \(PDF 67.80 KB\)](#)
- Pet Loss due to Fire
https://bloomington.in.gov/sites/default/files/2017-05/animal-shelter-form_0.pdf

HAND

- Community Development Block Grants:
<https://bloomington.in.gov/grants/community-development-block-grants>
- Neighborhood Improvement Grant Program:
<https://bloomington.in.gov/neighborhoods/grants/improvement>
- Small and Simple Grant to Control Invasive Plant Species (SSCIPS):
<https://bloomington.in.gov/neighborhoods/grants/small-and-simple>
- Small and Simple Grant:
<https://bloomington.in.gov/neighborhoods/grants/small-and-simple>
- Neighborhood Cleanup Grant Program:
<https://bloomington.in.gov/neighborhoods/grants/clean-ups>
- Down Payment & Closing Cost Assistance
<https://bloomington.in.gov/housing/financial-assistance>
- Emergency Home Repair Grant
<https://bloomington.in.gov/housing/emergency-home-repair>
- Owner Occupied Rehabilitation Program
<https://bloomington.in.gov/housing/home-rehabilitation>
- Home Modifications for Accessible Living Program
<https://bloomington.in.gov/housing/home-modification>
- Residents Academy (preference given to those in city limits)
<https://bloomington.in.gov/news/2021/05/27/4864>

PARKS

- Parks and Recreation Program Scholarships for Youth:
<https://bloomington.in.gov/node/3874>
- Reduced fees for all Parks programming/events/classes for city residents

PLANNING

- Local-Motion Grant Program (Bicycle and Pedestrian Safety Commission):
<https://bloomington.in.gov/grants/local-motion>

POLICE

- BPD Police Academies: Teen Academy and Citizens Police Academy
<https://bloomington.in.gov/police/citizens-police-academy>

PUBLIC WORKS

- Sidewalk Repair Assistance Program
<https://bloomington.in.gov/transportation/sidewalks/repair-assistance/>

UTILITIES

- Residential Stormwater Grant
<https://bloomington.in.gov/utilities/stormwater/grants>

• How much land is the City proposing for annexation?

The total number of acres being proposed for annexation is 8,155. The approximate acreage for each annexation area is as follows*:

- o Area 1a (South-West A) – 3,163
- o Area 1b (South-West B) – 1,755
- o Area 1c (South-West C) – 47
- o Area 2 (South-East) – 2,755
- o Area 3 (North Island) – 110
- o Area 4 (Central Island) – 93
- o Area 5 (South Island) – 232

*Areas 6 (Northeast) and Area 7 (North) were removed from consideration based on public input.

• What is the total parcel count for the annexation areas?

The total number of non-right-of-way parcels is about 6,636. The total number of parcels, including parcels that consist of public right-of-way, is 6,859.

• What is the population of the areas proposed for annexation?

Based on the most recent available census data, the estimated populations in the eight different annexation areas are as follows:

- o Area 1a (South-West A) – 3,987

- o Area 1b (South-West B) – 4,566
- o Area 1c (South-West C) – 79
- o Area 2 (South-East) – 3,888
- o Area 3 (North Island) – 366
- o Area 4 (Central Island) – 420
- o Area 5 (South Island) – 956

- **Will annexation affect where my child attends school?**

Annexation will have no effect on school district boundaries, nor will it have any effect on where your child attends school.

- **Will annexation change my current zoning and property use?**

The City updated its zoning code in 2020 and 2021. Some current county zoning is not replicated in the City's code and might need to be added. In the end, some zoning will likely remain the same and some may change, but as is discussed below, current property uses in the annexed areas will not need to change. Any legal use of land prior to the effective date of the annexation that ultimately conflicts with the City's zoning code or future rezonings will still be permitted as a legal non-conforming use (i.e., it is "grandfathered"). So, for example and with respect to animals such as horses, the City currently has more restrictive rules for livestock than the County. But if a property in an annexation area already has animals, that existing use will be grandfathered and not subject to City standards unless changes to the property use are made.

Another example is signage. Newly annexed areas will be subject to the signage standards in the City's Unified Development Ordinance only when they seek to change the existing signage on a property or erect new signage not already in place. Any existing signage installed under County standards may remain in place and will be grandfathered, until such time as a change is made to the signage. Some provisions of the sign standards will apply, however; for example, signs in public rights-of-way.

While existing non-conforming property uses may remain in place, certain practices currently permitted in the county would not be grandfathered in the same way if they constitute health and safety violations per City code, including open burning, shooting guns, or violating the noise ordinance.

- **What City Council districts will each of the proposed areas be assigned to?**

They will be assigned to a Council district in the annexation ordinance(s), and the City anticipates redistricting after the annexations are effective, depending on which annexations become effective.

- **Why is the City proposing to annex these specific parcels or areas?**

The City proposed the overall annexation areas based on a variety of factors, including increases in population and density of development, opportunities for future growth, the I-69 expansion, and the City's existing services.

- **Who can I contact if I have more questions?**

During the current public health emergency, the City encourages residents to interact with the City over the phone or online in order to limit the spread of COVID-19. Please visit our website at bloomington.in.gov/annex for more information and to provide your comments at the submission form link. You may also contact the City by phone at 812-349-3808. These channels will be monitored and input reviewed on a daily basis.

- **Why does my property have a remonstrance waiver, and does that mean I cannot protest annexation even if it was a previous landowner who acquired the waiver?**

Your property has a remonstrance waiver because either you or a previous owner of your property signed a waiver with the City in exchange for sewer service. A waiver binds whoever signed it and whoever subsequently owns the property to which the waiver applies. Legal objections to an annexation are only valid for individuals who do not have a valid waiver associated with their property.

- **Can I remove the remonstrance waiver from my property?**

Homeowners cannot remove a waiver from their property. Only a court could declare a waiver invalid during a remonstrance trial.

- **Why were county residents in proposed annexation areas not surveyed first before initiating this process?**

The annexation process is very strictly delineated in the state code and must be closely followed. Surveying residents in the proposed annexation areas is not a step in the required process.

There seem to be some big differences between the City's and the County's predictions of the financial impacts of annexation. Why is there a difference and which numbers are more credible?

The City commissioned the accounting firm Reedy Financial to prepare a fiscal plan to predict the financial impacts of annexation; later, the county government hired the firm Baker Tilly (B/T)

to review Reedy's analysis. Fiscal plans are based on assumptions and calculations, and different assumptions can produce different results. Here are some clarifications and context for differences between the reports (for an extended comparison, please click [here](#)):

- Reedy provided a parcel-by-parcel tax impact analysis; whereas the B/T report contains a fillable spreadsheet for property owners to estimate their individual property tax impact. The parcel-by-parcel analysis uses standard industry assumptions that rates will change in the future to provide a more complete picture of the impact.
- B/T applied a higher overall property tax rate than Reedy; Reedy used standard ways to compute post-annexation property tax rates.
- B/T assumed zero growth in Assessed Value (AV), while Reedy assumed a moderate 3% growth. It is standard practice to assume growth. In fact, based on data available August 2, the City's AV growth for 2022 is up 5.03%. Because this newly released data shows that the City's AV is growing at a very healthy rate, the City's tax rate is likely to go down, which will lessen the tax impact on annexed residents.
- The Reedy report used 2019 data for property valuations as they were the latest ones available at the time the report was prepared; B/T produced their report later, using 2020 data. Reedy's report will be updated when other updates are made, and 2020 data will be included in the final version.
- The Reedy report calculated LIT impacts on overlapping units (library, school, etc) based on a standard 3% annual growth. The B/T report calculated LIT impacts in a way that the Reedy report is not able to replicate.
- The Reedy report does not show a LIT impact to the Monroe Fire Protection District; the B/T report does. Because in 2021 the MFPD increased its tax levy on residents receiving services, the MFPD will receive more LIT in 2024 than today, regardless of annexation.

How is the tax rate for properties in the City calculated? How does growth in Assessed Value reduce the property tax rate?

Municipal tax rates are calculated by dividing the total revenue a municipality is allowed to collect, which is also called the "levy," by the total tax base for the municipality, which is the total net assessed value. So when a City's total net assessed value increases more quickly than the levy, municipal tax rates decrease. Because that's happening in Bloomington right now, Bloomington's tax rate is decreasing.

House Enrolled Act 1427, passed by the Indiana state legislature in 2019, voids remonstrance waivers that are more than 15 years old, which represents the majority of the waivers. Doesn't this reduce the likelihood that the annexation will succeed?

The 2019 law is an unconstitutional impairment of a lawful contract--the contract a property owner signed waiving their right to remonstrate against annexation in exchange for sewer service. Additionally, the 2019 law was passed after the state unconstitutionally interrupted the

annexation process begun in 2017. Had that interruption not occurred, the annexation would now be completed. As such, the 2019 law should not be applied to City's current annexation, which is merely a continuation of the process begun in 2017.

Does the City have to prove that an area meets certain criteria in order to propose its annexation?

No. Only in the event of a remonstrance trial would the City be required to show that annexation areas meet certain criteria, such as residential density or a particular type of zoning classification.

Why did the City use the 2019 Assessed Value data in its fiscal report, when the B/T report used the 2020 data?

The Reedy report initially used 2019 data for property valuations as 2019 valuations were the latest ones available at the time the initial report was prepared; B/T produced their report later, using 2020 data. Reedy's report has now been updated, and 2020 data is included in the final version. The City's fiscal plan, prepared by Reedy, is now and will continue to be compliant with State code requirements for annexation.

Was the effective date of annexation chosen because it is after the next City elections?

No. The effective date was not selected based on election dates. The City wants to encourage electoral participation. The long runway for this process was intended to allow the City to ramp up to extended service delivery and allow affected property owners and institutions time to adjust to possible financial impacts.

How will senior citizens on fixed incomes adjust to increased property taxes if they are in an annexed area?

There is a mechanism called a "circuit breaker" credit that protects seniors age 65 and over who own a home valued at \$200,000 or less. If a senior qualifies for the tax credit, their overall property tax burden cannot increase by more than 2% per year. And the assessed value threshold for the over-65 circuit breaker credit is updated by the state as appropriate on a regular basis, so that these seniors will continue to be protected even if their property increases in assessed value. In fact, because eligible seniors who join the City will receive a reduction in their utility rates while seeing almost no increase to their property taxes, annexation ends up resulting in a net savings to these seniors.

Does annexation create urban sprawl?

No. On the contrary, annexation curbs urban sprawl, which is unrestricted growth of often less dense housing, commercial development, and roads over large expanses of land, with little

concern for urban planning. Urban sprawl creates areas that are neither rural nor urban, with significant impacts on the natural environment and sense of place. Extending the city's borders to incorporate contiguous urbanized areas allows for sensible planning, environmentally sustainable development, efficient cost-effective service delivery, and societal cohesion.

Isn't this a case of involuntary annexation?

Though the statutory code section under which this annexation is proceeding is titled "involuntary annexation," this annexation is largely based on consent obtained via voluntarily signed contracts--the remonstrance waivers residents signed when sewer service was extended to their property.

Why is the scope of the land to be annexed as large as it is?

The proposed annexation of 8,359 acres is sized accordingly because so much time--nearly 20 years--has elapsed since the City's last annexation that the City's borders do not correspond with the population growth and development that has happened in the meantime. Furthermore, the state legislature discourages small, piecemeal annexations both through section 4.1. (e) of the annexation statute, which potentially limits the City's ability to adopt one small annexation ordinance after another and by setting hard expiration dates for the enforceability of waivers. The state legislature has forced municipalities to fasttrack annexations before long-standing waivers expire.

Is the City planning to increase the Local Income Tax (LIT)?

The City cannot increase the LIT. Only the Local Income Tax Council, which is a board including both City and County Council members, among others, may change LIT rates. At this time, the City has no plans to ask the Local Income Tax Council to consider an increase.