February 20, 1998

# ENGROSSED
# HOUSE BILL No. 1272

DIGEST OF HB 1272 (Updated February 18, 1998 3:37 pm - DI 87)

**Citations Affected:** IC 6-1.1; IC 36-1; noncode.

**Synopsis:** Provides that the county auditor in Lake County may remove real property from the list of property eligible for tax sale if the taxpayer and the county treasurer agree to a mutually satisfactory arrangement for the payment of the delinquent property taxes in full. Requires the county auditor to reinstate the real property to the list of property eligible for tax sale if the taxpayer misses a payment under the arrangement. Allows the City of Gary to offer real property within its jurisdiction for sale at an expedited second tax sale if the property fails to receive the minimum amount in a county tax sale. Provides for the execution of a tax deed to the City of Gary if the property does sale at the expedited tax sale. Provides for the disposal of real property

(Continued next page)

**Effective:** See text of bill.

**V. Smith**

(SENATE SPONSORS — CLARK, ROGERS)

January 13, 1998, read first time and referred to Committee on Ways and Means.
January 28, 1998, amended, reported — Do Pass.
February 2, 1998, read second time, amended, ordered engrossed.
February 3, 1998, engrossed. Read third time, made special order of business for 7:00 p.m. Reread third time, recommitted to a Committee of One, amended; passed: yeas 63, nays 36.
February 4, 1998, engrossed.

SENATE ACTION

February 9, 1998, read first time and referred to Committee on Governmental and Regulatory Affairs.
February 19, 1998, amended, reported favorably — Do Pass.

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acquired by the City of Gary. Provides that the City of Gary may not hold a tax sale after March 31, 2001. Allows the City of East Chicago to offer real property within its jurisdiction for sale at an expedited second tax sale if the property fails to receive the minimum amount in a county tax sale. Provides for the execution of a tax deed to the City of East Chicago if the property does not sell at the expedited tax sale. Provides for the disposal of real property acquired by the City of East Chicago. Provides that the City of East Chicago may not hold a tax sale after March 31, 2001. Provides that if Lake County fails to offer for sale at a tax sale a property that: (1) is on the delinquency list prepared by the county; and (2) located within the jurisdiction of the City of Gary or the City of East Chicago; the city may offer the property for sale at a tax sale. Provides that the City of Gary and the City of East Chicago may not offer a property for sale for the first time after March 31, 2001. Allows the City of Gary and the City of East Chicago to conduct an additional tax sale in 1998 for the sale of properties on which at least six property tax installments are delinquent. Provides that a county may enter property that is the subject of a tax sale to conduct environmental investigations.

C o p y

February 20, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

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# ENGROSSED
# HOUSE BILL No. 1272

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 6-1.1-24-1.2, AS AMENDED BY P.L.30-1994, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1.2. (a) **Except as provided in subsection (c),** a tract or an item of real property may not be removed from the list certified under section 1 of this chapter before the tax sale unless all delinquent taxes, special assessments, penalties due on the delinquency, interest, and costs directly attributable to the tax sale have been paid in full.

(b) A county treasurer may accept partial payments of delinquent property taxes, assessments, penalties, interest, or costs under subsection (a) after the list of real property is certified under section 1 of this chapter.

**(c) The county auditor in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) may remove a tract or an item of real property from the list certified under section 1 of this chapter before the tax**

**sale if the county treasurer and the taxpayer agree to a mutually satisfactory arrangement for the payment of the delinquent taxes.**

**(d) The county treasurer may remove the tract or item from the list certified under section 1 of this chapter if the arrangement described in subsection (c):**

**(1) is in writing;**

**(2) is signed by the taxpayer; and**

**(3) requires the taxpayer to pay the delinquent taxes in full within one (1) year of the date the agreement is signed.**

**(e) If the taxpayer fails to make a payment under the arrangement described in subsection (c), the county auditor shall immediately place the tract or item of real property on the list of real property eligible for sale at a tax sale.**

**(f) If the tract or item of real property subject to a payment arrangement is within the jurisdiction of a:**

**(1) city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000); or**

**(2) city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000);**

**the county auditor shall notify the mayor of the city of the arrangement.**

SECTION 2. IC 6-1.1-24-5.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 5.2. (a) This section applies to a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).**

**(b) If:**

**(1) a tract or an item of real property is on the delinquency list prepared under section 1 of this chapter;**

**(2) the county does not offer the tract or item of real property for sale under sections 1 through 5 of this chapter; and**

**(3) the tract or item of real property is within the jurisdiction of:**

**(A) a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000); or**

**(B) a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000);**

**the tract or item of real property may be offered for sale by the**

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**city in a manner consistent with the provisions of sections 1 through 5 of this chapter and subsections (c) and (d).**

**(c) Notwithstanding any other law, the city may offer a tract or item of real property described in subsection (b) for sale on a date that is on or after January 1 and before March 31 of the year immediately following the year in which the property was placed on the delinquency list prepared under section 1 of this chapter. A sale conducted under this section must be held on the same date that the city conducts an expedited tax sale under section 5.6 of this chapter.**

**(d) All notice and judgment requirements set forth in this chapter and IC 6-1.1-25 are applicable to a city tax sale under subsection (b).**

**(e) This section expires June 30, 2001.**

SECTION 3. IC 6-1.1-24-5.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 5.6. (a) This section applies to:**

**(1) a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000); and**

**(2) a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000).**

**(b) If:**

**(1) a tract or an item of real property within the jurisdiction of the city is offered for sale under sections 1 through 5 of this chapter; and**

**(2) an amount is not received that is at least equal to the minimum sale price required under section 5(e) of this chapter;**

**the tract or an item of real property may be offered for sale a second time consistent with the provisions of sections 1 through 5 of this chapter or subsection (c).**

**(c) Notwithstanding any other law, if:**

**(1) a tract or an item of real property within the jurisdiction of the city is offered for sale under sections 1 through 5 of this chapter;**

**(2) an amount is not received that is at least equal to the minimum sale price required under section 5(e) of this chapter; and**

**(3) the county auditor and the mayor of the city jointly agree to an expedited tax sale under this subsection;**

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**the city may offer the tract or item of real property for sale a second time on a date that is on or after January 1 and before March 31 of the year immediately following the year in which the property was initially offered for sale and at least ninety (90) days after the date of the initial sale.**

**(d) All notice and judgment requirements set forth in this chapter and IC 6-1.1-25 are applicable to the second expedited tax sale under subsection (c).**

**(e) If the city offers a tract or item of real property for sale at an expedited sale under subsection (c), the county may not offer the tract or item of real property for sale under section 5.5 of this chapter.**

**(f) This section expires June 30, 2001.**

SECTION 4. IC 6-1.1-24-6.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 6.6. (a) This section applies to:**

**(1) a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000); and**

**(2) a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000).**

**(b) When a tract or an item of real property is offered for sale under section 5.2 or 5.6 of this chapter and an amount is not received equal to or in excess of the minimum sale price prescribed in section 5(e) of this chapter, the city acquires a lien in the amount of the minimum sale price. This lien attaches on the day after the last date on which the tract or item was offered for sale under section 5.2 or 5.6 of this chapter.**

**(c) When a city acquires a lien under this section, the county auditor shall issue a tax sale certificate to the city in the manner provided in section 9 of this chapter. The county auditor shall date the certificate the day that the city acquires the lien. When a city acquires a certificate under this section, the city has the same rights as a purchaser. However, the city shall hold the property for the taxing units described in subsection (d).**

**(d) When a lien is acquired by the city under this section, no money shall be paid by the city. However, each of the taxing units having an interest in the taxes on the tract shall be credited with the full amount of all delinquent taxes due them.**

**(e) This section expires June 30, 2001.**

SECTION 5. IC 6-1.1-24-9, AS AMENDED BY P.L.56-1996,

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SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) Immediately after a tax sale purchaser pays his bid, as evidenced by the receipt of the county treasurer, or immediately after the county acquires a lien under section 6 of this chapter **or a city acquires a lien under section 6.6 of this chapter**, the county auditor shall deliver a certificate of sale to the purchaser or to the county **or to the city**. The certificate shall be signed by the auditor and registered in his office. The certificate shall contain:

(1) a description of real property which corresponds to the description used on the notice of sale;
(2) the name of the former owner, if known;
(3) the name of the purchaser;
(4) the date of sale;
(5) the amount for which the real property was sold;
(6) the amount of the minimum bid for which the tract or real property was offered at the time of sale as required by section 5 of this chapter; and
(7) the date when the purchaser is first entitled to request a deed to the property.

(b) When a certificate of sale is issued under this section, the purchaser acquires a lien against the real property for the entire amount that he paid. The lien of the purchaser is superior to all liens against the real property which exist at the time the certificate is issued.

(c) A certificate of sale is assignable. However, an assignment is not valid unless it is endorsed on the certificate of sale, acknowledged before an officer authorized to take acknowledgments of deeds, and registered in the office of the county auditor. When a certificate of sale is assigned, the assignee acquires the same rights and obligations that the original purchaser acquired.

SECTION 6. IC 6-1.1-25-4, AS AMENDED BY P.L.89-1995, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. (a) If a certificate of sale is issued to a purchaser under IC 6-1.1-24-9 and the real property is not redeemed within:

(1) one (1) year after the date of sale;
(2) one hundred twenty (120) days after the county acquires a lien on the property under IC 6-1.1-24-6;
(3) one hundred twenty (120) days from the date of sale to a purchasing agency qualified under IC 36-7-17;
(4) one hundred twenty (120) days from the date of sale of real property on the list prepared under IC 6-1.1-24-1.5; or
(5) one hundred twenty (120) days after the date of sale under

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IC 6-1.1-24-5.5(b);

as extended by compliance with the notice provisions in section 4.5 of this chapter, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in this chapter, execute and deliver a deed for the property to the purchaser. If a certificate of sale is issued to a county under IC 6-1.1-24-9 and the real property is not redeemed within one (1) year after the date of sale, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in this chapter, issue a deed for the property to the county. The county auditor shall execute deeds issued under this section in the name of the state under the county auditor's name and seal. If a certificate of sale is lost before the execution of a deed, the county auditor shall, subject to the limitations in this chapter, execute and deliver a deed if the court has made a finding that the certificate did exist.

(b) When a deed for real property is executed under this section, the county auditor shall cancel the certificate of sale and file the canceled certificate in his office. If real property that appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale and an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e) is not received, the county auditor shall issue a deed to the real property in the manner provided in IC 6-1.1-24-6.5.

(c) When a deed is issued to a county under this section, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.

(d) A tax deed executed under this section vests in the grantee an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments which accrue subsequent to the sale and which are not removed under subsection (c). However, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale. The deed is prima facie evidence of:

(1) the regularity of the sale of the real property described in the deed;

(2) the regularity of all proper proceedings; and

(3) valid title in fee simple in the grantee of the deed.

(e) Notwithstanding the provisions of subsection (a), a county

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auditor is not required to execute a deed to the county under subsection (a) if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. **The county may enter the property to conduct environmental investigations.**

(f) If the county executive makes the determination under subsection (e) as to any interest in an oil or gas lease or separate mineral rights, the county treasurer shall certify all delinquent taxes, interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk, following the procedures in IC 6-1.1-23-9. After the date of the county treasurer's certification, the certified amount is subject to collection as delinquent personal property taxes under IC 6-1.1-23. Notwithstanding IC 6-1.1-4-12.4 and IC 6-1.1-4-12.5, the assessed value of such an interest shall be zero (0) until production commences.

SECTION 7. IC 6-1.1-25-4.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 4.2. (a) This section applies to:**

**(1) a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000); and**

**(2) a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000).**

**(b) If a certificate of sale is issued to a purchaser under IC 6-1.1-24-9 and the real property is not redeemed within one hundred twenty (120) days after the date of sale under IC 6-1.1-24-5.2(b) or IC 6-1.1-24-5.6(b), as extended by compliance with the notice provisions in section 4.5 of this chapter, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in this chapter, execute and deliver a deed for the property to the purchaser.**

**(c) If a certificate of sale is issued to the city under IC 6-1.1-24-9 and the real property is not redeemed within one hundred twenty (120) days after the date of the sale, the county auditor shall, upon receipt of the certificate and subject to the limitations in this chapter, issue a deed for the property to the city.**

**(d) The county auditor shall execute deeds issued under this section in the name of the state under the county auditor's name and seal. If a certificate of sale is lost before the execution of a deed, the county auditor shall, subject to the limitations in this chapter, execute and deliver a deed if the court has made a finding**

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**that the certificate did exist.**

**(e) When a deed for real property is executed under this section, the county auditor shall cancel the certificate of sale and file the canceled certificate in the office of the county auditor.**

**(f) When a deed is issued to the city under this section, the taxes and special assessments for which the real property was offered for sale and all subsequent taxes, special assessments, interest, penalties, and costs of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.**

**(g) A tax deed executed under this section vests in the grantee an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments that accrue subsequent to the sale and that are not removed under subsection (f). However, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale. The deed is prima facie evidence of:**

**(1) the regularity of the sale of the real property described in the deed;**

**(2) the regularity of all proper proceedings; and**

**(3) valid title in fee simple in the grantee of the deed.**

**(h) Notwithstanding the provisions of subsection (c), a county auditor is not required to execute a deed to the city under subsection (c) if the mayor determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property.**

**(i) This section expires September 30, 2001.**

SECTION 8. IC 6-1.1-25-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5.5. **(a)** The deed given by the county auditor to a county which acquired property under IC 6-1.1-24-6, or to a city agency which acquired property under IC 36-7-17, shall be in a form prescribed by the state board of accounts and approved by the attorney general.

**(b) The deed given by the county auditor to a city that acquires property under IC 6-1.1-24-6.6 must be in a form prescribed by the state board of accounts and approved by the attorney general.**

SECTION 9. IC 6-1.1-25-7, AS AMENDED BY P.L.2-1995, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 1998]: Sec. 7. (a) The holder of a certificate of sale, or his successors or assigns, shall have the county auditor execute a deed to the real property within two (2) years after the date of the sale. If the purchaser, or his successors or assigns, fails to have the county auditor execute a deed within that time period, the purchaser's lien against the real property terminates at the end of the time period. However, this section does not apply if the county **or city** is the holder of the certificate of sale.

(b) If the purchaser does not provide notice prior to the expiration of the period of redemption as specified in IC 6-1.1-25-4.5, the purchaser's lien against the real property terminates thirty-one (31) days after the expiration of the redemption period.

SECTION 10. IC 6-1.1-25-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 9.5. (a) This section applies to:**

**(1) a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000); and**

**(2) a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000).**

**(b) Whenever a city acquires title to real property under IC 6-1.1-24 and this chapter, the city may dispose of the real property under IC 36-1-11 or subsection (f) . The proceeds of a sale under IC 36-1-11 must be applied as follows:**

**(1) First, to the cost of the sale, including the cost of maintenance, preservation, and administration of the property before sale, including prior unpaid costs of sales, preparation of the property for sale, advertising, and appraisal.**

**(2) Second, to the payment of the taxes that were removed from the tax duplicate under section 4.2(f) of this chapter.**

**(3) Third, any surplus remaining must be deposited in the city's general fund.**

**(c) The mayor or the mayor's designee shall file a report with the county board of commissioners before January 31. The report must:**

**(1) list the real property acquired under IC 6-1.1-24 and this chapter; and**

**(2) indicate if a person resides or conducts a business on the property.**

**(d) The city shall mail a notice by certified mail before March 31**

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**of each year to each person listed in subsection (c)(2). The notice must state that the city has acquired title to the tract the person occupies.**

**(e) If the city determines under IC 36-1-11 that real property acquired under IC 6-1.1-24 or this chapter must be retained by the city, the city may not dispose of the real property. The mayor or the mayor's designee may repair, maintain, equip, alter, and construct buildings upon the real property retained under this section in the same manner prescribed for other city buildings.**

**(f) The city may transfer title to real property described in subsection (b) to its redevelopment commission at no cost to the commission for sale or grant under IC 36-7-14-22.1.**

**(g) This section expires December 31, 2001.**

SECTION 11. IC 36-1-11-3, AS AMENDED BY P.L.82-1995, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) This section does not apply to the disposal of real property under section 5, 5.5, or 8 of this chapter.

(b) Disposal of real property under this chapter is subject to the approval of:

(1) the executive of the political subdivision or agency; or

(2) the fiscal body of the political subdivision or agency, if there is no executive.

The executive or fiscal body may not approve a disposal of property without conducting a public hearing after giving notice under IC 5-3-1. However, in a municipality the executive shall designate a board or commission of the municipality to give notice, conduct the hearing, and notify the executive of its recommendation.

(c) In addition, the fiscal body of a unit must approve:

(1) every sale of real property having an appraised value of fifty thousand dollars ($50,000) or more;

(2) every lease of real property for which the total annual rental payments will be twenty-five thousand dollars ($25,000) or more; and

(3) every transfer of real property under section 14 or 15 of this chapter.

**(d) Notwithstanding subsection (c), the fiscal body of a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000) must approve:**

**(1) every sale of real property having an appraised value of ten thousand dollars ($10,000) or more;**

**(2) every lease of real property for which the total annual**

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**rental payments will be five thousand dollars ($5,000) or more; and**

**(3) every transfer of real property under section 14 or 15 of this chapter.**

**(e) Notwithstanding subsection (c), the fiscal body of a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000) must approve:**

**(1) every sale of real property having an appraised value of ten thousand dollars ($10,000) or more;**

**(2) every lease of real property for which the total annual rental payments will be five thousand dollars ($5,000) or more; and**

**(3) every transfer of real property under section 14 or 15 of this chapter.**

SECTION 12. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to the following:**

**(1) A city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000).**

**(2) A city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000).**

**(b) Within fifteen (15) days after a list of delinquent properties prepared under IC 6-1.1-24-1 is certified to the county auditor, the county auditor shall notify the mayor that the list is available for inspection. Upon notification, the mayor or the mayor's designee may examine the list to determine whether there are properties on the list that meet the following criteria for sale at a tax sale conducted by the city:**

**(1) The property is within the city's jurisdiction.**

**(2) At least six (6) installments of property taxes are delinquent.**

**(c) If the mayor or the mayor's designee determines that any of the properties included on the list are eligible for sale by the city, the mayor or the mayor's designee shall notify the county auditor that the city wishes to hold a tax sale of certain properties on the list. The mayor or the mayor's designee shall specifically identify the parcels or tracts that the city wishes to include in a tax sale. The mayor or the mayor's designee shall provide the notice required by this subsection to the county auditor within fifteen (15) days after the county auditor notifies the mayor that the tax sale**

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**list is available for inspection.**

**(d) Upon receiving notification that the city wishes to hold an immediate tax sale, the county auditor shall authorize the city to hold a tax sale. The county auditor shall also remove the parcels or tracts specified by the city from the list prepared under IC 6-1.1-24-1.**

**(e) The city shall place on a tax sale list the parcels or tracts that will be included in the city's tax sale. A tax sale conducted by the city under this SECTION is in addition to a tax sale conducted under IC 6-1.1-24-5.6, as added by this act. Except as otherwise provided, the city has the same rights and obligations as the county under IC 6-1.1-24 and IC 6-1.1-25 with respect to the tax sale.**

**(f) A tax sale held under this SECTION must take place on or after August 1, 1998, and before November 1, 1998.**

**(g) The city may request that the county auditor issue to the city a tax sale certificate for property that is offered for sale under this SECTION but does not receive an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e).**

**(h) Upon receiving a request under subsection (g), the county auditor shall immediately issue to the city the requested tax sale certificate. The tax sale certificate entitles the city to a lien on the property in the amount of the minimum sale price. In addition, the city acquires the same rights as a purchaser, including the right to sell, assign, or transfer the tax sale certificate to another. However, the city shall hold the property for the taxing units described in subsection (i).**

**(i) When a lien is acquired by the city under this SECTION, no money shall be paid by the city. However, each of the taxing units having an interest in the taxes on the tract shall be credited with the full amount of all delinquent taxes due them.**

**(j) If a certificate of sale is issued to a purchaser under IC 6-1.1-24-9 and the real property is not redeemed within one hundred twenty (120) days after the date of sale under this SECTION, as extended by compliance with the notice provisions in IC 6-1.1-25-4.5, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in this chapter, execute and deliver a deed for the property to the purchaser.**

**(k) If a certificate of sale is issued to the city under this SECTION and the real property is not redeemed within one hundred twenty (120) days after the city acquires a lien on the property under this SECTION, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in**

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**IC 6-1.1-25, execute and deliver a deed for the property to the city. The county auditor shall execute deeds issued under this SECTION in the name of the state under the county auditor's name and seal. If a certificate of sale is lost before the execution of a deed, the county auditor shall, subject to the limitations in IC 6-1.1-25, execute and deliver a deed if the court has made a finding that the certificate did exist.**

**(l) When a deed for real property is executed under this SECTION, the county auditor shall cancel the certificate of sale and file the canceled certificate in the office of the county auditor.**

**(m) When a deed is issued to the city under this SECTION, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and costs of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.**

**(n) A tax deed executed under this SECTION vests in the city an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments that accrue subsequent to the sale and that are not removed under subsection (m). However, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale. The deed is prima facie evidence of:**

**(1) the regularity of the sale of the real property described in the deed;**

**(2) the regularity of all proper proceedings; and**

**(3) valid title in fee simple in the grantee of the deed.**

**(o) The city may not conduct more than one (1) tax sale under this SECTION.**

**(p) Whenever the city acquires title to real property under this SECTION, the city may dispose of the real property under IC 36-1-11 or IC 6-1.1-25-9.5(f), as added by this act. The proceeds of a sale under IC 36-1-11 must be applied as follows:**

**(1) First, to the cost of the sale, including the cost of maintenance, preservation, and administration of the property before sale, including prior unpaid costs of sales, preparation of the property for sale, advertising, and appraisal.**

C o p y

**(2) Second, to the payment of the taxes that were removed from the tax duplicate under subsection (m).**

**(3) Third, any surplus remaining must be deposited in the city's general fund.**

**(q) The mayor or the mayor's designee shall file a report with the county board of commissioners before December 31, 1999. The report must:**

**(1) list the real property acquired under this SECTION; and**

**(2) indicate if a person resides or conducts a business on the property.**

**(r) The city shall mail a notice by certified mail before December 31, 1999, to each person listed in subsection (q)(2). The notice must state that the city has acquired title to the tract the person occupies.**

**(s) If the city determines under IC 36-1-11 that real property acquired under this SECTION must be retained by the city, the city may not dispose of the real property. The mayor or the mayor's designee may repair, maintain, equip, alter, and construct buildings upon the real property retained under this section in the same manner prescribed for other city buildings.**

**(t) This SECTION expires January 1, 2000.**

SECTION 13. **An emergency is declared for this act.**

C o p y

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1272, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to House Bill 1272 as introduced.)

BAUER, Chair

Committee Vote: yeas 14, nays 3.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1272 be amended to read as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

(Reference is to House Bill 1272 as printed January 29, 1998.)

V. SMITH

C o p y

HOUSE MOTION

Mr. Speaker: I move that House Bill 1272 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

(Reference is to House Bill 1272 as reprinted February 3, 1998.)

V. SMITH

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COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred House Bill 1272, begs leave to report that said bill has been amended as directed.

V. SMITH

C o p y

COMMITTEE REPORT

Mr. President: The Senate Committee on Governmental and Regulatory Affairs, to which was referred House Bill 1272, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 12, after "arrangement" insert "**described in subsection (c)**".

Page 2, line 17, after "hundred" insert "**ten**".

Page 2, line 18, delete "(100,000)" and insert "**(110,000)**".

Page 2, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-24-5.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 5.2. (a) This section applies to a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).**

**(b) If:**

**(1) a tract or an item of real property is on the delinquency list prepared under section 1 of this chapter;**

**(2) the county does not offer the tract or item of real property for sale under sections 1 through 5 of this chapter; and**

**(3) the tract or item of real property is within the jurisdiction of:**

**(A) a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000); or**

**(B) a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000);**

**the tract or item of real property may be offered for sale by the city in a manner consistent with the provisions of sections 1 through 5 of this chapter and subsections (c) and (d).**

**(c) Notwithstanding any other law, the city may offer a tract or item of real property described in subsection (b) for sale on a date that is on or after January 1 and before March 31 of the year immediately following the year in which the property was placed on the delinquency list prepared under section 1 of this chapter. A sale conducted under this section must be held on the same date that the city conducts an expedited tax sale under section 5.6 of this chapter.**

**(d) All notice and judgment requirements set forth in this chapter and IC 6-1.1-25 are applicable to a city tax sale under**

C o p y

**subsection (b).**

**(e) This section expires June 30, 2001.**".

Page 3, line 19, delete "(f)" and insert "**(e)**".

Page 3, line 23, delete "(g)" and insert "**(f)**".

Page 3, line 34, after "section" insert "**5.2 or**".

Page 3, line 39, after "section" insert "**5.2 or**".

Page 4, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 6. IC 6-1.1-25-4, AS AMENDED BY P.L.89-1995, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. (a) If a certificate of sale is issued to a purchaser under IC 6-1.1-24-9 and the real property is not redeemed within:

(1) one (1) year after the date of sale;

(2) one hundred twenty (120) days after the county acquires a lien on the property under IC 6-1.1-24-6;

(3) one hundred twenty (120) days from the date of sale to a purchasing agency qualified under IC 36-7-17;

(4) one hundred twenty (120) days from the date of sale of real property on the list prepared under IC 6-1.1-24-1.5; or

(5) one hundred twenty (120) days after the date of sale under IC 6-1.1-24-5.5(b);

as extended by compliance with the notice provisions in section 4.5 of this chapter, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in this chapter, execute and deliver a deed for the property to the purchaser. If a certificate of sale is issued to a county under IC 6-1.1-24-9 and the real property is not redeemed within one (1) year after the date of sale, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in this chapter, issue a deed for the property to the county. The county auditor shall execute deeds issued under this section in the name of the state under the county auditor's name and seal. If a certificate of sale is lost before the execution of a deed, the county auditor shall, subject to the limitations in this chapter, execute and deliver a deed if the court has made a finding that the certificate did exist.

(b) When a deed for real property is executed under this section, the county auditor shall cancel the certificate of sale and file the canceled certificate in his office. If real property that appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale and an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e) is not received, the county auditor shall issue a deed to the real property in the manner provided in IC 6-1.1-24-6.5.

C o p y

(c) When a deed is issued to a county under this section, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.

(d) A tax deed executed under this section vests in the grantee an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments which accrue subsequent to the sale and which are not removed under subsection (c). However, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale. The deed is prima facie evidence of:

(1) the regularity of the sale of the real property described in the deed;

(2) the regularity of all proper proceedings; and

(3) valid title in fee simple in the grantee of the deed.

(e) Notwithstanding the provisions of subsection (a), a county auditor is not required to execute a deed to the county under subsection (a) if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. **The county may enter the property to conduct environmental investigations.**

(f) If the county executive makes the determination under subsection (e) as to any interest in an oil or gas lease or separate mineral rights, the county treasurer shall certify all delinquent taxes, interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk, following the procedures in IC 6-1.1-23-9. After the date of the county treasurer's certification, the certified amount is subject to collection as delinquent personal property taxes under IC 6-1.1-23. Notwithstanding IC 6-1.1-4-12.4 and IC 6-1.1-4-12.5, the assessed value of such an interest shall be zero (0) until production commences.".

Page 5, line 9, after "under" insert "**IC 6-1.1-24-5.2(b) or**".

Page 5, line 16, after "6-1.1-24-9" delete ",".

Page 5, line 31, after "sale" delete ",".

Page 8, after line 39, begin a new paragraph and insert:

"SECTION 11. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to the following:**

Copy

**(1) A city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000).**

**(2) A city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-five thousand (35,000).**

**(b) Within fifteen (15) days after a list of delinquent properties prepared under IC 6-1.1-24-1 is certified to the county auditor, the county auditor shall notify the mayor that the list is available for inspection. Upon notification, the mayor or the mayor's designee may examine the list to determine whether there are properties on the list that meet the following criteria for sale at a tax sale conducted by the city:**

**(1) The property is within the city's jurisdiction.**

**(2) At least six (6) installments of property taxes are delinquent.**

**(c) If the mayor or the mayor's designee determines that any of the properties included on the list are eligible for sale by the city, the mayor or the mayor's designee shall notify the county auditor that the city wishes to hold a tax sale of certain properties on the list. The mayor or the mayor's designee shall specifically identify the parcels or tracts that the city wishes to include in a tax sale. The mayor or the mayor's designee shall provide the notice required by this subsection to the county auditor within fifteen (15) days after the county auditor notifies the mayor that the tax sale list is available for inspection.**

**(d) Upon receiving notification that the city wishes to hold an immediate tax sale, the county auditor shall authorize the city to hold a tax sale. The county auditor shall also remove the parcels or tracts specified by the city from the list prepared under IC 6-1.1-24-1.**

**(e) The city shall place on a tax sale list the parcels or tracts that will be included in the city's tax sale. A tax sale conducted by the city under this SECTION is in addition to a tax sale conducted under IC 6-1.1-24-5.6, as added by this act. Except as otherwise provided, the city has the same rights and obligations as the county under IC 6-1.1-24 and IC 6-1.1-25 with respect to the tax sale.**

**(f) A tax sale held under this SECTION must take place on or after August 1, 1998, and before November 1, 1998.**

**(g) The city may request that the county auditor issue to the city a tax sale certificate for property that is offered for sale under this SECTION but does not receive an amount that is at least equal**

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**to the minimum sale price required under IC 6-1.1-24-5(e).**

**(h) Upon receiving a request under subsection (g), the county auditor shall immediately issue to the city the requested tax sale certificate. The tax sale certificate entitles the city to a lien on the property in the amount of the minimum sale price. In addition, the city acquires the same rights as a purchaser, including the right to sell, assign, or transfer the tax sale certificate to another. However, the city shall hold the property for the taxing units described in subsection (i).**

**(i) When a lien is acquired by the city under this SECTION, no money shall be paid by the city. However, each of the taxing units having an interest in the taxes on the tract shall be credited with the full amount of all delinquent taxes due them.**

**(j) If a certificate of sale is issued to a purchaser under IC 6-1.1-24-9 and the real property is not redeemed within one hundred twenty (120) days after the date of sale under this SECTION, as extended by compliance with the notice provisions in IC 6-1.1-25-4.5, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in this chapter, execute and deliver a deed for the property to the purchaser.**

**(k) If a certificate of sale is issued to the city under this SECTION and the real property is not redeemed within one hundred twenty (120) days after the city acquires a lien on the property under this SECTION, the county auditor shall, upon receipt of the certificate and subject to the limitations contained in IC 6-1.1-25, execute and deliver a deed for the property to the city. The county auditor shall execute deeds issued under this SECTION in the name of the state under the county auditor's name and seal. If a certificate of sale is lost before the execution of a deed, the county auditor shall, subject to the limitations in IC 6-1.1-25, execute and deliver a deed if the court has made a finding that the certificate did exist.**

**(l) When a deed for real property is executed under this SECTION, the county auditor shall cancel the certificate of sale and file the canceled certificate in the office of the county auditor.**

**(m) When a deed is issued to the city under this SECTION, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and costs of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.**

**(n) A tax deed executed under this SECTION vests in the city**

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**an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments that accrue subsequent to the sale and that are not removed under subsection (m). However, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale. The deed is prima facie evidence of:**

**(1) the regularity of the sale of the real property described in the deed;**

**(2) the regularity of all proper proceedings; and**

**(3) valid title in fee simple in the grantee of the deed.**

**(o) The city may not conduct more than one (1) tax sale under this SECTION.**

**(p) Whenever the city acquires title to real property under this SECTION, the city may dispose of the real property under IC 36-1-11 or IC 6-1.1-25-9.5(f), as added by this act. The proceeds of a sale under IC 36-1-11 must be applied as follows:**

**(1) First, to the cost of the sale, including the cost of maintenance, preservation, and administration of the property before sale, including prior unpaid costs of sales, preparation of the property for sale, advertising, and appraisal.**

**(2) Second, to the payment of the taxes that were removed from the tax duplicate under subsection (m).**

**(3) Third, any surplus remaining must be deposited in the city's general fund.**

**(q) The mayor or the mayor's designee shall file a report with the county board of commissioners before December 31, 1999. The report must:**

**(1) list the real property acquired under this SECTION; and**

**(2) indicate if a person resides or conducts a business on the property.**

**(r) The city shall mail a notice by certified mail before December 31, 1999, to each person listed in subsection (q)(2). The notice must state that the city has acquired title to the tract the person occupies.**

**(s) If the city determines under IC 36-1-11 that real property acquired under this SECTION must be retained by the city, the city may not dispose of the real property. The mayor or the**

C o p y

**mayor's designee may repair, maintain, equip, alter, and construct buildings upon the real property retained under this section in the same manner prescribed for other city buildings.**

**(t) This SECTION expires January 1, 2000.**

SECTION 12. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to House Bill 1272 as reprinted February 4, 1998.)

GARD, Chairperson

Committee Vote: Yeas 9, Nays 0.

C o p y