

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

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:

- 1 Delete everything after the enacting clause and insert the
- 2 following:
- 3 SECTION 1. IC 6-1.1-24-1.2, AS AMENDED BY P.L.30-1994,
- 4 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 1998]: Sec. 1.2. (a) **Except as provided in subsection (c)**, a
- 6 tract or an item of real property may not be removed from the list
- 7 certified under section 1 of this chapter before the tax sale unless all
- 8 delinquent taxes, special assessments, penalties due on the
- 9 delinquency, interest, and costs directly attributable to the tax sale have
- 10 been paid in full.
- 11 (b) A county treasurer may accept partial payments of delinquent
- 12 property taxes, assessments, penalties, interest, or costs under
- 13 subsection (a) after the list of real property is certified under section 1
- 14 of this chapter.
- 15 (c) **The county auditor in a county having a population of more**
- 16 **than four hundred thousand (400,000) but less than seven hundred**
- 17 **thousand (700,000) may remove a tract or an item of real property**
- 18 **from the list certified under section 1 of this chapter before the tax**
- 19 **sale if the county treasurer and the taxpayer agree to a mutually**
- 20 **satisfactory arrangement for the payment of the delinquent taxes.**
- 21 (d) **The county treasurer may remove the tract or item from**
- 22 **the list certified under section 1 of this chapter if the arrangement**
- 23 **described in subsection (c):**

- 1 **(1) is in writing;**
 2 **(2) is signed by the taxpayer; and**
 3 **(3) requires the taxpayer to pay the delinquent taxes in full**
 4 **within one (1) year of the date the agreement is signed.**
 5 **(e) If the taxpayer fails to make a payment under the**
 6 **arrangement, the county auditor shall immediately place the tract**
 7 **or item of real property on the list of real property eligible for sale**
 8 **at a tax sale.**
 9 **(f) If the tract or item of real property subject to a payment**
 10 **arrangement is within the jurisdiction of a:**
 11 **(1) city having a population of more than one hundred**
 12 **thousand (100,000) but less than one hundred twenty**
 13 **thousand (120,000); or**
 14 **(2) city having a population of more than thirty-three**
 15 **thousand eight hundred fifty (33,850) but less than thirty-five**
 16 **thousand (35,000);**
 17 **the county auditor shall notify the mayor of the city of the**
 18 **arrangement.**
 19 SECTION 2. IC 6-1.1-24-5.6 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 1998]: **Sec. 5.6. (a) This section applies to:**
 22 **(1) a city having a population of more than one hundred ten**
 23 **thousand (110,000) but less than one hundred twenty**
 24 **thousand (120,000); and**
 25 **(2) a city having a population of more than thirty-three**
 26 **thousand eight hundred fifty (33,850) but less than thirty-five**
 27 **thousand (35,000).**
 28 **(b) If:**
 29 **(1) a tract or an item of real property within the jurisdiction**
 30 **of the city is offered for sale under sections 1 through 5 of**
 31 **this chapter; and**
 32 **(2) an amount is not received that is at least equal to the**
 33 **minimum sale price required under section 5(e) of this**
 34 **chapter;**
 35 **the tract or an item of real property may be offered for sale a**
 36 **second time consistent with the provisions of sections 1 through 5**
 37 **of this chapter or subsection (c).**
 38 **(c) Notwithstanding any other law, if:**
 39 **(1) a tract or an item of real property within the jurisdiction**
 40 **of the city is offered for sale under sections 1 through 5 of**
 41 **this chapter;**
 42 **(2) an amount is not received that is at least equal to the**
 43 **minimum sale price required under section 5(e) of this**
 44 **chapter; and**
 45 **(3) the county auditor and the mayor of the city jointly agree**
 46 **to an expedited tax sale under this subsection;**
 47 **the city may offer the tract or item of real property for sale a**
 48 **second time on a date that is on or after January 1 and before**
 49 **March 31 of the year immediately following the year in which the**
 50 **property was initially offered for sale and at least ninety (90) days**

1 after the date of the initial sale.

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

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

9 (g) This section expires June 30, 2001.

10 SECTION 3. IC 6-1.1-24-6.6 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 1998]: Sec. 6.6. (a) This section applies to:

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

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

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

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

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

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

38 SECTION 4. IC 6-1.1-24-9, AS AMENDED BY P.L.56-1996,
39 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 1998]: Sec. 9. (a) Immediately after a tax sale purchaser pays
41 his bid, as evidenced by the receipt of the county treasurer, or
42 immediately after the county acquires a lien under section 6 of this
43 chapter or a city acquires a lien under section 6.6 of this chapter,
44 the county auditor shall deliver a certificate of sale to the purchaser or
45 to the county or to the city. The certificate shall be signed by the
46 auditor and registered in his office. The certificate shall contain:

47 (1) a description of real property which corresponds to the
48 description used on the notice of sale;

49 (2) the name of the former owner, if known;

50 (3) the name of the purchaser;

- 1 (4) the date of sale;
 2 (5) the amount for which the real property was sold;
 3 (6) the amount of the minimum bid for which the tract or real
 4 property was offered at the time of sale as required by section 5
 5 of this chapter; and
 6 (7) the date when the purchaser is first entitled to request a deed
 7 to the property.

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

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

18 SECTION 5. IC 6-1.1-25-4.2 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 1998]: **Sec. 4.2. (a) This section applies to:**

- 21 (1) a city having a population of more than one hundred ten
 22 thousand (110,000) but less than one hundred twenty
 23 thousand (120,000); and
 24 (2) a city having a population of more than thirty-three
 25 thousand eight hundred fifty (33,850) but less than thirty-five
 26 thousand (35,000).

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

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

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

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

49 (f) When a deed is issued to the city under this section, the
 50 taxes and special assessments for which the real property was

1 offered for sale, and all subsequent taxes, special assessments,
 2 interest, penalties, and costs of sale shall be removed from the tax
 3 duplicate in the same manner that taxes are removed by certificate
 4 of error.

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

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

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

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

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

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

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

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

36 SECTION 7. IC 6-1.1-25-7, AS AMENDED BY P.L.2-1995,
 37 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 1998]: Sec. 7. (a) The holder of a certificate of sale, or his
 39 successors or assigns, shall have the county auditor execute a deed to
 40 the real property within two (2) years after the date of the sale. If the
 41 purchaser, or his successors or assigns, fails to have the county auditor
 42 execute a deed within that time period, the purchaser's lien against the
 43 real property terminates at the end of the time period. However, this
 44 section does not apply if the county **or city** is the holder of the
 45 certificate of sale.

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

50 SECTION 8. IC 6-1.1-25-9.5 IS ADDED TO THE INDIANA

1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 1998]: **Sec. 9.5. (a) This section applies to:**

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

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

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

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

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

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

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

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

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

29 (d) The city shall mail a notice by certified mail before
 30 March 31 of each year to each person listed in subsection (c)(2).
 31 The notice must state that the city has acquired title to the tract the
 32 person occupies.

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

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

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

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

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

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

50 (2) the fiscal body of the political subdivision or agency, if there

1 is no executive.
2 The executive or fiscal body may not approve a disposal of property
3 without conducting a public hearing after giving notice under IC 5-3-1.
4 However, in a municipality the executive shall designate a board or
5 commission of the municipality to give notice, conduct the hearing, and
6 notify the executive of its recommendation.

7 (c) In addition, the fiscal body of a unit must approve:
8 (1) every sale of real property having an appraised value of fifty
9 thousand dollars (\$50,000) or more;
10 (2) every lease of real property for which the total annual rental
11 payments will be twenty-five thousand dollars (\$25,000) or
12 more; and
13 (3) every transfer of real property under section 14 or 15 of this
14 chapter.

15 **(d) Notwithstanding subsection (c), the fiscal body of a city**
16 **having a population of more than one hundred ten thousand**
17 **(110,000) but less than one hundred twenty thousand (120,000)**
18 **must approve:**

19 (1) every sale of real property having an appraised value of
20 ten thousand dollars (\$10,000) or more;
21 (2) every lease of real property for which the total annual
22 rental payments will be five thousand dollars (\$5,000) or
23 more; and
24 (3) every transfer of real property under section 14 or 15 of
25 this chapter.

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

30 (1) every sale of real property having an appraised value of
31 ten thousand dollars (\$10,000) or more;
32 (2) every lease of real property for which the total annual
33 rental payments will be five thousand dollars (\$5,000) or
34 more; and
35 (3) every transfer of real property under section 14 or 15 of
36 this chapter.

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

Representative V. Smith



Adopted

Rejected

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.

Representative V. Smith