

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6653**

**BILL NUMBER:** HB 1211

**NOTE PREPARED:** Feb 19, 2007

**BILL AMENDED:**

**SUBJECT:** Tax Sales.

**FIRST AUTHOR:** Rep. Van Haafden

**FIRST SPONSOR:** Sen. Boots

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**     **GENERAL**  
                          **DEDICATED**  
                          **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill limits the circumstances under which a tax sale purchaser may terminate the purchase before conclusion and receive a refund of a part of the purchase price. The bill reduces the amount of the refund. The bill requires reinstatement and collection of any remaining delinquencies after the terminated purchase.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Summary:* Under the bill, county auditors would be able to retain more of the purchase monies from purchasers that do not complete a tax sale than can be retained under current law. Under current law, when a retainer penalty is kept by the county in the event of a failed tax sale, those monies are deposited into the county general fund.

*Background:* There are two different types of tax sale "refunds" affected by the bill that for purpose of explanation will be described as: "Good Faith" and "Failure To Meet Notice Requirements."

"Good faith" occurs when a petitioner has made a bona fide attempt to comply with all statutory requirements for issuing a tax deed, but failed to comply. Additionally, the court would have to refuse to issue an order

to the county auditor to complete the tax deed process due to the petitioner's failure to comply. (The bill would require the purchaser, purchaser's successors or assignees, or the purchaser of the certificate of sale to additionally file a claim with the county auditor within 30 days of a court order refusing the completion of the tax deed.)

"Failure to meet notice requirements" occurs when a petitioner fails to give notice that a petition to issue a tax deed has been filed to both the owner of record and persons with substantial property interest in the property.

Table A illustrates the proposed and current differences in the amount of the purchase price a county keeps from a failed tax sale.

**Table A.**

<b>Tax Sale Refund Type</b>	<b>Current Law Amount</b>	<b>Proposed Amount</b>
Good Faith (IC 6-1.1-25-4.6e)	County refunds purchase money plus 6% interest per annum.	County refunds 75% of purchase money.
Failure To Meet Notice Requirements (IC 6-1.1-25-4.6d)	County refunds 75% of purchase price.	County refunds 75% of amount of purchase price exceeding minimum acceptable bid.

**State Agencies Affected:**

**Local Agencies Affected:** Counties.

**Information Sources:**

**Fiscal Analyst:** Chris Baker, 317-232-9851.