

# SENATE BILL No. 517

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-25; IC 34-30-26; IC 2-5.5-5.

**Synopsis:** Abandoned housing. Reduces the tax sale redemption period for vacant and abandoned residential property to six months, and reduces the redemption period for vacant and abandoned nonresidential property to one month. Provides immunity from civil liability to a person who gratuitously: (1) secures; (2) removes trash or debris from; or (3) mows, landscapes, or maintains; vacant or abandoned property. Establishes the interim study committee on mortgage foreclosure issues to study issues relating to: (1) reducing delays in mortgage foreclosures; and (2) mortgage foreclosures of vacant or abandoned property.

**Effective:** July 1, 2011.

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### Merritt

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January 18, 2011, read first time and referred to Committee on Corrections, Criminal, and Civil Matters.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 517



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

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

1 SECTION 1. IC 2-5-31 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2011]:

4 **Chapter 31. Interim Study Committee on Mortgage Foreclosure**  
5 **Issues**

6 **Sec. 1. As used in this chapter, "committee" refers to the**  
7 **interim study committee on mortgage foreclosure issues**  
8 **established by section 2 of this chapter.**

9 **Sec. 2. The interim study committee on mortgage foreclosure**  
10 **issues is established.**

11 **Sec. 3. The committee shall operate under the policies governing**  
12 **study committees adopted by the legislative council.**

13 **Sec. 4. The affirmative votes of a majority of the voting**  
14 **members appointed to the committee are required for the**  
15 **committee to take action on any measure, including final reports.**

16 **Sec. 5. The committee shall study and make recommendations**  
17 **to the legislative council concerning the following:**



- 1           **(1) Reducing delays in mortgage foreclosure proceedings.**
- 2           **(2) Issues concerning foreclosures of vacant and abandoned**
- 3           **housing.**
- 4           **(3) Any other topic relating to mortgage foreclosure assigned**
- 5           **by the legislative council or as directed by the committee**
- 6           **chair.**

7           **Sec. 6. Before November 1, 2011, the committee shall issue a**  
 8           **final report to the legislative council containing the findings and**  
 9           **recommendations of the committee.**

10          **Sec. 7. This chapter expires December 31, 2011.**

11          SECTION 2. IC 6-1.1-25-2, AS AMENDED BY P.L.89-2007,  
 12          SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13          JULY 1, 2011]: Sec. 2. (a) The total amount of money required for the  
 14          redemption of real property equals:

- 15           (1) the sum of the amounts prescribed in subsections (b) through
  - 16           (e); or
  - 17           (2) the amount prescribed in subsection (f);
- 18          reduced by any amounts held in the name of the taxpayer or the  
 19          purchaser in the tax sale surplus fund.

20          (b) Except as provided in subsection (f), the total amount required  
 21          for redemption includes:

- 22           (1) one hundred ten percent (110%) of the minimum bid for
- 23           which the tract or real property was offered at the time of sale, as
- 24           required by IC 6-1.1-24-5, if the tract or item of real property is
- 25           redeemed not more than six (6) months after the date of sale; or
- 26           (2) one hundred fifteen percent (115%) of the minimum bid for
- 27           which the tract or real property was offered at the time of sale, as
- 28           required by IC 6-1.1-24-5, if the tract or item of real property is
- 29           redeemed more than six (6) months but not more than one (1)
- 30           year after the date of sale.

31          (c) Except as provided in subsection (f), in addition to the amount  
 32          required under subsection (b), the total amount required for redemption  
 33          includes the amount by which the purchase price exceeds the minimum  
 34          bid on the real property plus ten percent (10%) per annum on the  
 35          amount by which the purchase price exceeds the minimum bid on the  
 36          property.

37          (d) Except as provided in subsection (f), in addition to the amount  
 38          required under subsections (b) and (c), the total amount required for  
 39          redemption includes all taxes and special assessments upon the  
 40          property paid by the purchaser after the sale plus ten percent (10%)  
 41          interest per annum on those taxes and special assessments.

42          (e) Except as provided in subsection (f), in addition to the amounts

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1 required under subsections (b), (c), and (d), the total amount required  
 2 for redemption includes the following costs, if certified before  
 3 redemption and not earlier than thirty (30) days after the date of sale of  
 4 the property being redeemed by the payor **(or, in the case of**  
 5 **nonresidential property that is a vacant structure (as defined in**  
 6 **IC 36-7-36-6) or an abandoned structure (as defined in**  
 7 **IC 36-7-36-1), not earlier than fifteen (15) days after the date of**  
 8 **sale of the property being redeemed by the payor)** to the county  
 9 auditor on a form prescribed by the state board of accounts, that were  
 10 incurred and paid by the purchaser, the purchaser's assignee, or the  
 11 county, before redemption:

12 (1) The attorney's fees and costs of giving notice under section 4.5  
 13 of this chapter.

14 (2) The costs of a title search or of examining and updating the  
 15 abstract of title for the tract or item of real property.

16 (f) With respect to a tract or item of real property redeemed under  
 17 section ~~4(c)~~ **4(d)** of this chapter, instead of the amounts stated in  
 18 subsections (b) through (e), the total amount required for redemption  
 19 is the amount determined under IC 6-1.1-24-6.1(b)(4).

20 SECTION 3. IC 6-1.1-25-4, AS AMENDED BY P.L.73-2010,  
 21 SECTION 6, AND AS AMENDED BY P.L.98-2010, SECTION 3, IS  
 22 CORRECTED AND AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2011]: Sec. 4. **(a) As used in this section,**  
 24 **"residential real property" means real property used for**  
 25 **residential purposes that contains not more than four (4)**  
 26 **residential dwelling units.**

27 ~~(a)~~ **(b)** The period for redemption of real property sold under  
 28 IC 6-1.1-24 is:

29 (1) **unless otherwise specified**, one (1) year after the date of sale;

30 (2) one hundred twenty (120) days after the date of sale to a  
 31 purchasing agency qualified under IC 36-7-17; ~~or~~

32 (3) one hundred twenty (120) days after the date of sale of real  
 33 property on the list prepared under IC 6-1.1-24-1(a)(2) or  
 34 IC 6-1.1-24-1.5;

35 **(4) one hundred eighty (180) days after the date of sale if the**  
 36 **property is residential real property that is:**

37 **(A) an abandoned structure (as defined in IC 36-7-36-1);**  
 38 **or**

39 **(B) a vacant structure (as defined in IC 36-7-36-6); or**

40 **(5) thirty (30) days after the date of sale if the property is**  
 41 **nonresidential real property that is:**

42 **(A) an abandoned structure (as defined in IC 36-7-36-1);**

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**or**

**(B) a vacant structure (as defined in IC 36-7-36-6).**

~~(b)~~ **(c)** *Subject to IC 6-1.1-24-9(d)*, the period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is not sold under IC 6-1.1-24-6.1;

is one hundred twenty (120) days after the date the county executive acquires the lien under IC 6-1.1-24-6.

~~(c)~~ **(d)** The period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is sold under IC 6-1.1-24;

is one hundred twenty (120) days after the date of sale of the certificate of sale under IC 6-1.1-24.

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

~~(e)~~ **(f)** When a deed is issued to a county executive under this chapter, 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.

~~(f)~~ **(g)** A tax deed executed under this chapter 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 ~~(e)~~: **(f)**. However, *subject to subsection ~~(g)~~: **(h)***, the estate is subject to:

(1) all easements, covenants, declarations, and other deed restrictions shown by public records;

(2) laws, ordinances, and regulations concerning governmental police powers, including zoning, building, land use, improvements on the land, land division, and environmental

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1 protection; and

2 (3) liens and encumbrances created or suffered by the grantee.

3 ~~(g)~~ **(h)** *A tax deed executed under this chapter for real property sold*  
4 *in a tax sale:*

5 *(1) does not operate to extinguish an easement recorded before*  
6 *the date of the tax sale in the office of the recorder of the county*  
7 *in which the real property is located, regardless of whether the*  
8 *easement was taxed under this article separately from the real*  
9 *property; and*

10 *(2) conveys title subject to all easements recorded before the date*  
11 *of the tax sale in the office of the recorder of the county in which*  
12 *the real property is located.*

13 ~~(g)~~ ~~(h)~~ **(i)** A tax deed executed under this chapter is prima facie  
14 evidence of:

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

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

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

19 ~~(h)~~ ~~(i)~~ **(j)** A county auditor is not required to execute a deed to the  
20 county executive under this chapter if the county executive determines  
21 that the property involved contains hazardous waste or another  
22 environmental hazard for which the cost of abatement or alleviation  
23 will exceed the fair market value of the property. The county executive  
24 may enter the property to conduct environmental investigations.

25 ~~(i)~~ ~~(j)~~ **(k)** If the county executive makes the determination under  
26 subsection ~~(h)~~ ~~(i)~~ **(j)** as to any interest in an oil or gas lease or separate  
27 mineral rights, the county treasurer shall certify all delinquent taxes,  
28 interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk,  
29 following the procedures in IC 6-1.1-23-9. After the date of the county  
30 treasurer's certification, the certified amount is subject to collection as  
31 delinquent personal property taxes under IC 6-1.1-23. Notwithstanding  
32 IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an  
33 interest shall be zero (0) until production commences.

34 ~~(j)~~ ~~(k)~~ **(l)** When a deed is issued to a purchaser of a certificate of sale  
35 sold under IC 6-1.1-24-6.1, the county auditor shall, in the same  
36 manner that taxes are removed by certificate of error, remove from the  
37 tax duplicate the taxes, special assessments, interest, penalties, and  
38 costs remaining due as the difference between the amount of the last  
39 minimum bid under IC 6-1.1-24-5(e) and the amount paid for the  
40 certificate of sale.

41 SECTION 4. IC 6-1.1-25-4.5, AS AMENDED BY P.L.169-2006,  
42 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2011]: Sec. 4.5. (a) **This subsection applies only to real**  
 2 **property that is not an abandoned structure (as defined in**  
 3 **IC 36-7-36-1) or a vacant structure (as defined in IC 36-7-36-6).**

4 Except as provided in subsection (d), a purchaser or the purchaser's  
 5 assignee is entitled to a tax deed to the property that was sold only if:

6 (1) the redemption period specified in section ~~4(a)~~ **4(b)(1)** of  
 7 this chapter has expired;

8 (2) the property has not been redeemed within the period of  
 9 redemption specified in section ~~4(a)~~ **4(b)** of this chapter; and

10 (3) not later than nine (9) months after the date of the sale:

11 (A) the purchaser or the purchaser's assignee; or

12 (B) in a county where the county auditor and county treasurer  
 13 have an agreement under section 4.7 of this chapter, the  
 14 county auditor;

15 gives notice of the sale to the owner of record at the time of the  
 16 sale and any person with a substantial property interest of public  
 17 record in the tract or real property.

18 **(b) This subsection applies only to residential real property that**  
 19 **is an abandoned structure (as defined in IC 36-7-36-1) or a vacant**  
 20 **structure (as defined in IC 36-7-36-6). Except as provided in**  
 21 **subsection (d), a purchaser or the purchaser's assignee is entitled**  
 22 **to a tax deed to the property that was sold only if:**

23 (1) the redemption period specified in section **4(b)(4)** of this  
 24 chapter has expired;

25 (2) the property has not been redeemed within the period of  
 26 redemption specified in section **4(b)(4)** of this chapter; and

27 (3) not later than ninety (90) days after the date of the sale:

28 (A) the purchaser or the purchaser's assignee; or

29 (B) in a county where the county auditor and county  
 30 treasurer have an agreement under section 4.7 of this  
 31 chapter, the county auditor;

32 gives notice of the sale to the owner of record at the time of  
 33 the sale and any person with a substantial property interest of  
 34 public record in the tract or real property.

35 **(c) This subsection applies only to commercial property that is**  
 36 **an abandoned structure (as defined in IC 36-7-36-1) or a vacant**  
 37 **structure (as defined in IC 36-7-36-6). Except as provided in**  
 38 **subsection (d), a purchaser or the purchaser's assignee is entitled**  
 39 **to a tax deed to the property that was sold only if:**

40 (1) the redemption period specified in section **4(b)(5)** of this  
 41 chapter has expired;

42 (2) the property has not been redeemed within the period of

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1 redemption specified in section 4(b)(5) of this chapter; and  
 2 (3) not later than seven (7) days after the date of the sale:  
 3 (A) the purchaser or the purchaser's assignee; or  
 4 (B) in a county where the county auditor and county  
 5 treasurer have an agreement under section 4.7 of this  
 6 chapter, the county auditor;  
 7 gives notice of the sale to the owner of record at the time of  
 8 the sale and any person with a substantial property interest of  
 9 public record in the tract or real property.

10 ~~(b)~~ (d) A county executive is entitled to a tax deed to property on  
 11 which the county executive acquires a lien under IC 6-1.1-24-6 and for  
 12 which the certificate of sale is not sold under IC 6-1.1-24-6.1 only if:

- 13 (1) the redemption period specified in section ~~4(b)~~ 4(c) of this  
 14 chapter has expired;  
 15 (2) the property has not been redeemed within the period of  
 16 redemption specified in section ~~4(b)~~ 4(c) of this chapter; and  
 17 (3) not later than ninety (90) days after the date the county  
 18 executive acquires the lien under IC 6-1.1-24-6, the county  
 19 auditor gives notice of the sale to:

- 20 (A) the owner of record at the time the lien was acquired; and  
 21 (B) any person with a substantial property interest of public  
 22 record in the tract or real property.

23 ~~(c)~~ (e) A purchaser of a certificate of sale under IC 6-1.1-24-6.1 is  
 24 entitled to a tax deed to the property for which the certificate was sold  
 25 only if:

- 26 (1) the redemption period specified in section ~~4(c)~~ 4(d) of this  
 27 chapter has expired;  
 28 (2) the property has not been redeemed within the period of  
 29 redemption specified in section ~~4(c)~~ 4(d) of this chapter; and  
 30 (3) not later than ninety (90) days after the date of sale of the  
 31 certificate of sale under IC 6-1.1-24, the purchaser gives notice of  
 32 the sale to:

- 33 (A) the owner of record at the time of the sale; and  
 34 (B) any person with a substantial property interest of public  
 35 record in the tract or real property.

36 ~~(d)~~ (f) The person required to give the notice under subsection (a),  
 37 (b), (c), (d), or ~~(c)~~ (e) shall give the notice by sending a copy of the  
 38 notice by certified mail to:

- 39 (1) the owner of record at the time of the:  
 40 (A) sale of the property;  
 41 (B) acquisition of the lien on the property under IC 6-1.1-24-6;  
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- 1 (C) sale of the certificate of sale on the property under
- 2 IC 6-1.1-24;
- 3 at the last address of the owner for the property, as indicated in
- 4 the records of the county auditor; and
- 5 (2) any person with a substantial property interest of public record
- 6 at the address for the person included in the public record that
- 7 indicates the interest.

8 However, if the address of the person with a substantial property  
 9 interest of public record is not indicated in the public record that  
 10 created the interest and cannot be located by ordinary means by the  
 11 person required to give the notice under subsection (a), (b), (c), (d), or  
 12 ~~(e)~~; (e), the person may give notice by publication in accordance with  
 13 IC 5-3-1-4 once each week for three (3) consecutive weeks.

14 ~~(e)~~ (g) The notice that this section requires shall contain at least the  
 15 following:

- 16 (1) A statement that a petition for a tax deed will be filed on or
- 17 after a specified date.
- 18 (2) The date on or after which the petitioner intends to petition for
- 19 a tax deed to be issued.
- 20 (3) A description of the tract or real property shown on the
- 21 certificate of sale.
- 22 (4) The date the tract or real property was sold at a tax sale.
- 23 (5) The name of the:
- 24 (A) purchaser or purchaser's assignee;
- 25 (B) county executive that acquired the lien on the property
- 26 under IC 6-1.1-24-6; or
- 27 (C) person that purchased the certificate of sale on the
- 28 property under IC 6-1.1-24.
- 29 (6) A statement that any person may redeem the tract or real
- 30 property.
- 31 (7) The components of the amount required to redeem the tract or
- 32 real property.
- 33 (8) A statement that an entity identified in subdivision (5) is
- 34 entitled to reimbursement for additional taxes or special
- 35 assessments on the tract or real property that were paid by the
- 36 entity subsequent to the tax sale, lien acquisition, or purchase of
- 37 the certificate of sale, and before redemption, plus interest.
- 38 (9) A statement that the tract or real property has not been
- 39 redeemed.
- 40 (10) A statement that an entity identified in subdivision (5) is
- 41 entitled to receive a deed for the tract or real property if it is not
- 42 redeemed before the expiration of the period of redemption

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- 1 specified in section 4 of this chapter.
- 2 (11) A statement that an entity identified in subdivision (5) is  
3 entitled to reimbursement for costs described in section 2(e) of  
4 this chapter.
- 5 (12) The date of expiration of the period of redemption specified  
6 in section 4 of this chapter.
- 7 (13) A statement that if the property is not redeemed, the owner  
8 of record at the time the tax deed is issued may have a right to the  
9 tax sale surplus, if any.
- 10 (14) The street address, if any, or a common description of the  
11 tract or real property.
- 12 (15) The key number or parcel number of the tract or real  
13 property.
- 14 ~~(f)~~ **(h)** The notice under this section must include not more than one  
15 (1) tract or item of real property listed and sold in one (1) description.  
16 However, when more than one (1) tract or item of real property is  
17 owned by one (1) person, all of the tracts or real property that are  
18 owned by that person may be included in one (1) notice.
- 19 ~~(g)~~ **(i)** A single notice under this section may be used to notify joint  
20 owners of record at the last address of the joint owners for the property  
21 sold, as indicated in the records of the county auditor.
- 22 ~~(h)~~ **(j)** The notice required by this section is considered sufficient if  
23 the notice is mailed to the address required under subsection ~~(f)~~ **(f)**.
- 24 ~~(i)~~ **(k)** The notice under this section and the notice under section 4.6  
25 of this chapter are not required for persons in possession not shown in  
26 the public records.
- 27 ~~(j)~~ **(l)** If the purchaser fails to:  
28 (1) comply with subsection ~~(c)~~~~(3)~~; **(e)****(3)**; or  
29 (2) petition for the issuance of a tax deed within the time  
30 permitted under section 4.6(a) of this chapter;  
31 the certificate of sale reverts to the county executive and may be  
32 retained by the county executive or sold under IC 6-1.1-24-6.1.
- 33 SECTION 5. IC 6-1.1-25-4.6, AS AMENDED BY P.L.89-2007,  
34 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JULY 1, 2011]: Sec. 4.6. (a) After the expiration of the redemption  
36 period specified in section 4 of this chapter but not later than six (6)  
37 months after the expiration of the period of redemption:  
38 (1) the purchaser, the purchaser's assignee, the county executive,  
39 or the purchaser of the certificate of sale under IC 6-1.1-24 may;  
40 or  
41 (2) in a county where the county auditor and county treasurer  
42 have an agreement under section 4.7 of this chapter, the county

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1 auditor shall, upon the request of the purchaser or the purchaser's  
 2 assignee;  
 3 file a verified petition in the same court and under the same cause  
 4 number in which the judgment of sale was entered asking the court to  
 5 direct the county auditor to issue a tax deed if the real property is not  
 6 redeemed from the sale. Notice of the filing of this petition shall be  
 7 given to the same parties and in the same manner as provided in section  
 8 4.5 of this chapter, except that, if notice is given by publication, only  
 9 one (1) publication is required. The notice required by this section is  
 10 considered sufficient if the notice is sent to the address required by  
 11 section ~~4.5(d)~~ 4.5(f) of this chapter. Any person owning or having an  
 12 interest in the tract or real property may file a written objection to the  
 13 petition with the court not later than thirty (30) days after the date the  
 14 petition was filed. If a written objection is timely filed, the court shall  
 15 conduct a hearing on the objection.

16 (b) Not later than sixty-one (61) days after the petition is filed under  
 17 subsection (a), the court shall enter an order directing the county  
 18 auditor (on the production of the certificate of sale and a copy of the  
 19 order) to issue to the petitioner a tax deed if the court finds that the  
 20 following conditions exist:

- 21 (1) The time of redemption has expired.
- 22 (2) The tract or real property has not been redeemed from the sale
- 23 before the expiration of the period of redemption specified in
- 24 section 4 of this chapter.
- 25 (3) Except with respect to a petition for the issuance of a tax deed
- 26 under a sale of the certificate of sale on the property under
- 27 IC 6-1.1-24-6.1, all taxes and special assessments, penalties, and
- 28 costs have been paid.
- 29 (4) The notices required by this section and section 4.5 of this
- 30 chapter have been given.
- 31 (5) The petitioner has complied with all the provisions of law
- 32 entitling the petitioner to a deed.

33 The county auditor shall execute deeds issued under this subsection in  
 34 the name of the state under the county auditor's name. If a certificate of  
 35 sale is lost before the execution of a deed, the county auditor shall issue  
 36 a replacement certificate if the county auditor is satisfied that the  
 37 original certificate existed.

38 (c) Upon application by the grantee of a valid tax deed in the same  
 39 court and under the same cause number in which the judgment of sale  
 40 was entered, the court shall enter an order to place the grantee of a  
 41 valid tax deed in possession of the real estate. The court may enter any  
 42 orders and grant any relief that is necessary or desirable to place or

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1 maintain the grantee of a valid tax deed in possession of the real estate.  
 2 (d) Except as provided in subsections (e) and (f), if:  
 3 (1) the verified petition referred to in subsection (a) is timely  
 4 filed; and  
 5 (2) the court refuses to enter an order directing the county auditor  
 6 to execute and deliver the tax deed because of the failure of the  
 7 petitioner under subsection (a) to fulfill the notice requirement of  
 8 subsection (a);  
 9 the court shall order the return of the amount, if any, by which the  
 10 purchase price exceeds the minimum bid on the property under  
 11 IC 6-1.1-24-5(e) minus a penalty of twenty-five percent (25%) of that  
 12 excess. The petitioner is prohibited from participating in any manner  
 13 in the next succeeding tax sale in the county under IC 6-1.1-24. The  
 14 county auditor shall deposit penalties paid under this subsection in the  
 15 county general fund.  
 16 (e) Notwithstanding subsection (d), in all cases in which:  
 17 (1) the verified petition referred to in subsection (a) is timely  
 18 filed;  
 19 (2) the petitioner under subsection (a) has made a bona fide  
 20 attempt to comply with the statutory requirements under  
 21 subsection (b) for the issuance of the tax deed but has failed to  
 22 comply with these requirements;  
 23 (3) the court refuses to enter an order directing the county auditor  
 24 to execute and deliver the tax deed because of the failure to  
 25 comply with these requirements; and  
 26 (4) the purchaser, the purchaser's successors or assignees, or the  
 27 purchaser of the certificate of sale under IC 6-1.1-24 files a claim  
 28 with the county auditor for refund not later than thirty (30) days  
 29 after the entry of the order of the court refusing to direct the  
 30 county auditor to execute and deliver the tax deed;  
 31 the county auditor shall not execute the deed but shall refund the  
 32 purchase money minus a penalty of twenty-five percent (25%) of the  
 33 purchase money from the county treasury to the purchaser, the  
 34 purchaser's successors or assignees, or the purchaser of the certificate  
 35 of sale under IC 6-1.1-24. The county auditor shall deposit penalties  
 36 paid under this subsection in the county general fund. All the  
 37 delinquent taxes and special assessments shall then be reinstated and  
 38 recharged to the tax duplicate and collected in the same manner as if  
 39 the property had not been offered for sale. The tract or item of real  
 40 property, if it is then eligible for sale under IC 6-1.1-24, shall be placed  
 41 on the delinquent list as an initial offering under IC 6-1.1-24.  
 42 (f) Notwithstanding subsections (d) and (e), the court shall not order

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1 the return of the purchase price or any part of the purchase price if:  
 2 (1) the purchaser or the purchaser of the certificate of sale under  
 3 IC 6-1.1-24 has failed to provide notice or has provided  
 4 insufficient notice as required by section 4.5 of this chapter; and  
 5 (2) the sale is otherwise valid.

6 (g) A tax deed executed under this section vests in the grantee an  
 7 estate in fee simple absolute, free and clear of all liens and  
 8 encumbrances created or suffered before or after the tax sale except  
 9 those liens granted priority under federal law, and the lien of the state  
 10 or a political subdivision for taxes and special assessments that accrue  
 11 subsequent to the sale. However, the estate is subject to all easements,  
 12 covenants, declarations, and other deed restrictions and laws governing  
 13 land use, including all zoning restrictions and liens and encumbrances  
 14 created or suffered by the purchaser at the tax sale. The deed is prima  
 15 facie evidence of:

- 16 (1) the regularity of the sale of the real property described in the
- 17 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) A tax deed issued under this section is incontestable except by  
 21 appeal from the order of the court directing the county auditor to issue  
 22 the tax deed filed not later than sixty (60) days after the date of the  
 23 court's order.

24 SECTION 6. IC 6-1.1-25-7 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) If the:

- 26 (1) purchaser;
  - 27 (2) purchaser's successors or assigns; or
  - 28 (3) purchaser of the certificate of sale under IC 6-1.1-24;
- 29 fails to file the petition within the period provided in section 4.6 of this  
 30 chapter, that person's lien against the real property terminates at the end  
 31 of that period. However, this section does not apply if the county or city  
 32 is the holder of the certificate of sale.

33 (b) If the notice under section 4.5 of this chapter is not given within  
 34 the period specified in section 4.5(a)(3) or ~~4.5(c)(3)~~ **4.5(e)(3)** of this  
 35 chapter, the lien of the:

- 36 (1) purchaser of the property; or
  - 37 (2) purchaser of the certificate of sale under IC 6-1.1-24;
- 38 against the real property terminates at the end of that period.

39 SECTION 7. IC 34-30-26 IS ADDED TO THE INDIANA CODE  
 40 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2011]:

42 **Chapter 26. Real Property**

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1           **Sec. 1. As used in this chapter, "vacant or abandoned property"**  
2 **means real property that is an abandoned structure (as defined in**  
3 **IC 36-7-36-1) or a vacant structure (as defined in IC 36-7-36-6).**  
4           **Sec. 2. A person who gratuitously:**  
5           **(1) secures vacant or abandoned property in which the person**  
6 **has no direct or indirect interest;**  
7           **(2) removes trash or debris from the grounds of vacant or**  
8 **abandoned property in which the person has no direct or**  
9 **indirect interest; or**  
10           **(3) landscapes, maintains, or mows the grounds of vacant or**  
11 **abandoned property in which the person has no direct or**  
12 **indirect interest;**  
13 **is immune from civil liability in for an act or omission related to**  
14 **the acts described in subdivisions (1) through (3), unless the act or**  
15 **omission constitutes gross negligence or willful, wanton, or**  
16 **intentional misconduct.**  
17           **Sec. 3. For purposes of this chapter, a tax sale certificate holder**  
18 **or applicant for a tax deed who performs an act described in**  
19 **section 2 of this chapter:**  
20           **(1) does not have a direct or indirect interest in the property**  
21 **if the only connection the certificate holder has to the**  
22 **property is the tax sale certificate or the fact that the person**  
23 **has applied for a tax deed; and**  
24           **(2) is performing an act described in section 2 of this chapter**  
25 **gratuitously if the only consideration the person receives for**  
26 **the act is the possibility of receiving a tax deed to the vacant**  
27 **or abandoned property in the future.**

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