



February 15, 2013

HOUSE BILL No. 1568

DIGEST OF HB 1568 (Updated February 13, 2013 2:14 pm - DI 101)

Citations Affected: IC 5-22; IC 6-1.1; IC 36-1; IC 36-7.

Synopsis: Real property subject to tax sale. In the statute concerning the sale of real property for which taxes or special assessments are delinquent, makes the following changes for purposes of the section that allows a county executive that holds a certificate of sale for a vacant parcel to sell the parcel to a contiguous residential property owner: (1) Provides that the certificate of sale will be sold to the successful applicant for \$1, plus the amount of certain costs incurred by the county in the sale. (Under current law, the sale price does include costs incurred by the county.) (2) Provides that for purposes of the section, a "vacant parcel" includes an improved parcel. (Current law provides that a "vacant parcel" includes only an unimproved parcel.) (3) Specifies that the county executive may offer for sale the certificate of sale for a vacant parcel. (Current law refers to the sale of the vacant parcel itself.) Establishes an alternative urban homesteading program that provides for the following: (1) That an individual is qualified to receive real property offered under the program if the individual applies for and receives, within a period specified by the local agency administering the program, a rehabilitation loan eligible for insurance under section 203(k) of the National Housing Act. (2) That the conveyance of a dwelling to a qualified individual under the program shall be made for a fee of \$1, plus certain costs incurred by the county in obtaining the property. (3) That before the vesting of a fee simple title in a qualified purchaser under the program, any material failure by the purchaser to carry out the agreement required under the program nullifies the agreement and all right, title, and interest in the property reverts to the agency administering the program.

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Effective: July 1, 2013.

Moed, Riecken, Price, Zent

January 22, 2013, read first time and referred to Committee on Financial Institutions.
February 14, 2013, amended, reported — Do Pass.

HB 1568—LS 6914/DI 110+



February 15, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1568

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 5-22-22-1, AS AMENDED BY P.L.188-2007,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 1. (a) This chapter applies only to personal
4 property owned by a governmental body.
5 (b) This chapter does not apply to dispositions of property described
6 in any of the following:
7 (1) IC 5-22-21-1(b).
8 (2) IC 36-1-11-5.5.
9 (3) IC 36-1-11-5.7.
10 (c) This chapter does not apply to any of the following:
11 (1) The disposal of property under an urban homesteading
12 program under IC 36-7-17 **or IC 36-7-17.1**.
13 (2) The lease of school buildings under IC 20-47.
14 (3) The sale of land to a lessor in a lease-purchase contract under
15 IC 36-1-10.
16 (4) The disposal of property by a redevelopment commission
17 established under IC 36-7.

HB 1568—LS 6914/DI 110+



- 1 (5) The leasing of property by a board of aviation commissioners
 2 established under IC 8-22-2 or an airport authority established
 3 under IC 8-22-3.
 4 (6) The disposal of a municipally owned utility under IC 8-1.5.
 5 (7) The sale or lease of property by a unit (as defined in
 6 IC 36-1-2-23) to an Indiana nonprofit corporation organized for
 7 educational, literary, scientific, religious, or charitable purposes
 8 that is exempt from federal income taxation under Section 501 of
 9 the Internal Revenue Code or the sale or reletting of that property
 10 by the nonprofit corporation.
 11 (8) The disposal of surplus property by a hospital established and
 12 operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8,
 13 IC 16-23-1, or IC 16-24-1.
 14 (9) The sale or lease of property acquired under IC 36-7-13 for
 15 industrial development.
 16 (10) The sale, lease, or disposal of property by a local hospital
 17 authority under IC 5-1-4.
 18 (11) The sale or other disposition of property by a county or
 19 municipality to finance housing under IC 5-20-2.
 20 (12) The disposition of property by a soil and water conservation
 21 district under IC 14-32.
 22 (13) The disposal of surplus property by the health and hospital
 23 corporation established and operated under IC 16-22-8.
 24 (14) The disposal of personal property by a library board under
 25 IC 36-12-3-5(c).
 26 (15) The sale or disposal of property by the historic preservation
 27 commission under IC 36-7-11.1.
 28 (16) The disposal of an interest in property by a housing authority
 29 under IC 36-7-18.
 30 (17) The disposal of property under IC 36-9-37-26.
 31 (18) The disposal of property used for park purposes under
 32 IC 36-10-7-8.
 33 (19) The disposal of textbooks that will no longer be used by
 34 school corporations under IC 20-26-12.
 35 (20) The disposal of residential structures or improvements by a
 36 municipal corporation without consideration to:
 37 (A) a governmental body; or
 38 (B) a nonprofit corporation that is organized to expand the
 39 supply or sustain the existing supply of good quality,
 40 affordable housing for residents of Indiana having low or
 41 moderate incomes.
 42 (21) The disposal of historic property without consideration to a

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1 nonprofit corporation whose charter or articles of incorporation
2 allows the corporation to take action for the preservation of
3 historic property. As used in this subdivision, "historic property"
4 means property that is:

- 5 (A) listed on the National Register of Historic Places; or
- 6 (B) eligible for listing on the National Register of Historic
7 Places, as determined by the division of historic preservation
8 and archeology of the department of natural resources.

- 9 (22) The disposal of real property without consideration to:
 - 10 (A) a governmental body; or
 - 11 (B) a nonprofit corporation that exists for the primary purpose
12 of enhancing the environment;

13 when the property is to be used for compliance with a permit or
14 an order issued by a federal or state regulatory agency to mitigate
15 an adverse environmental impact.

- 16 (23) The disposal of property to a person under an agreement
17 between the person and a governmental body under IC 5-23.

18 SECTION 2. IC 6-1.1-10-5.5 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5.5. Real property **that**
20 **is** held under IC 36-7-17 ~~which or IC 36-7-17.1~~ **and that** is conveyed
21 by contract with retention of the deed by the city is deemed to be the
22 property of the city held for municipal purposes and is exempt from
23 property taxation.

24 SECTION 3. IC 6-1.1-24-4.5 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.5. (a) The county
26 auditor shall also provide those agencies under IC 36-7-17 **or**
27 **IC 36-7-17.1**, in that county, with a list of tracts or items of real
28 property on which one (1) or more installments of taxes is delinquent
29 by June 15 of the year following the date the delinquency occurred.

30 (b) This subsection applies to a county having a consolidated city.
31 The county auditor shall prepare a list of tracts or items of real
32 properties for which at least one (1) installment of taxes is delinquent
33 at least ten (10) months. The auditor shall submit a copy of this list to
34 the metropolitan development commission no later than one hundred
35 six (106) days prior to the date on which application for judgment and
36 order for sale is made.

37 SECTION 4. IC 6-1.1-24-6.8, AS ADDED BY P.L.98-2010,
38 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2013]: Sec. 6.8. (a) For purposes of this section, in a county
40 containing a consolidated city "county executive" refers to the board of
41 commissioners of the county as provided in IC 36-3-3-10.

42 (b) As used in this section, "vacant parcel" refers to a parcel that

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- 1 satisfies all the following:
- 2 (1) A lien has been acquired on the parcel under section 6(a) of
- 3 this chapter.
- 4 ~~(2) The parcel is unimproved on the date the parcel is offered for~~
- 5 ~~sale under this chapter.~~
- 6 ~~(3) (2) If the parcel is unimproved on the date the certificate~~
- 7 ~~of sale of the parcel is offered for sale under this chapter,~~ the
- 8 construction of a structure intended for residential use on the
- 9 parcel is permitted by law.
- 10 ~~(3) If the parcel is improved on the date the certificate of sale~~
- 11 ~~of the parcel is offered for sale under this chapter, the~~
- 12 ~~following apply:~~
- 13 ~~(A) One (1) or more of the following are located on the~~
- 14 ~~parcel:~~
- 15 ~~(i) A structure that may be lawfully occupied for~~
- 16 ~~residential use.~~
- 17 ~~(ii) A structure used in conjunction with a structure that~~
- 18 ~~may be lawfully occupied for residential use.~~
- 19 ~~(B) The parcel is eligible for the standard deduction under~~
- 20 ~~IC 6-1.1-12-37.~~
- 21 ~~(C) The parcel is:~~
- 22 ~~(i) on the list of vacant or abandoned properties~~
- 23 ~~designated under section 1(a)(2) of this chapter; or~~
- 24 ~~(ii) not occupied by a tenant or a person having a~~
- 25 ~~substantial property interest of public record in the~~
- 26 ~~parcel.~~
- 27 (4) On the date **the certificate of sale for** the parcel is offered for
- 28 sale under this chapter, the parcel is contiguous to one (1) or more
- 29 parcels that satisfy the following:
- 30 (A) One (1) or more of the following are located on the
- 31 contiguous parcel:
- 32 (i) A structure occupied for residential use.
- 33 (ii) A structure used in conjunction with a structure
- 34 occupied for residential use.
- 35 (B) The contiguous parcel is eligible for the standard
- 36 deduction under IC 6-1.1-12-37.
- 37 (c) The county legislative body may **by adopt an** ordinance to
- 38 establish criteria for the identification of vacant parcels **for which the**
- 39 **certificates of sale are** to be offered for sale under this section. The
- 40 criteria may include the following:
- 41 (1) Limitations on the use of the parcel under local zoning and
- 42 land use requirements.

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1 (2) **If the parcel is unimproved, the** minimum parcel area
2 sufficient for construction of improvements.

3 (3) Any other factor considered appropriate by the county
4 legislative body.

5 In a county containing a consolidated city, the county legislative body
6 may adopt an ordinance under this subsection only upon
7 recommendation by the board of commissioners provided in
8 IC 36-3-3-10.

9 (d) If the county legislative body adopts an ordinance under
10 subsection (c), the county executive shall for each ~~tax~~ sale **under this**
11 **section:**

12 (1) by resolution, **and subject to the criteria adopted by the**
13 **county legislative body under subsection (c)**, identify each
14 vacant parcel ~~that for which~~ the county executive desires to sell
15 **the certificate of sale** under this section; and

16 (2) subject to subsection (e), give written notice to the owner of
17 record of each parcel referred to in subsection (b)(4) that is
18 contiguous to the vacant parcel.

19 (e) The notice under subsection (d)(2) with respect to each vacant
20 parcel must include at least the following:

21 (1) A description of the vacant parcel by:

22 (A) legal description; and

23 (B) parcel number or street address, or both.

24 (2) Notice that the county executive will accept written
25 applications from owners of parcels described in subsection (b)(4)
26 as provided in subsection (f).

27 (3) Notice of the deadline for applications referred to in
28 subdivision (2) and of the information to be included in the
29 applications.

30 (4) Notice that the **certificate of sale of the** vacant parcel will be
31 sold to the successful applicant for:

32 (A) one dollar (\$1); **plus**

33 (B) **the amounts described in section 5(f)(4) through 5(f)(6)**
34 **of this chapter.**

35 (5) Notice of the exemption provisions of subsection (l).

36 (f) To be eligible to purchase **the certificate of sale for** a vacant
37 parcel under this section, the owner of a contiguous parcel referred to
38 in subsection (b)(4) must file a written application with the county
39 executive. The application must:

40 (1) identify the ~~vacant parcel~~ **certificate of sale** that the applicant
41 desires to purchase; and

42 (2) include any other information required by the county

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- 1 executive.
- 2 (g) If more than one (1) application to purchase **the certificate of**
 3 **sale for** a single vacant parcel is filed with the county executive, the
 4 county executive shall conduct a drawing between or among the
 5 applicants in which each applicant has an equal chance to be selected
 6 as the transferee of the **certificate of sale of the** vacant parcel.
- 7 (h) The county executive shall by resolution make a final
 8 determination concerning the ~~vacant parcels~~ **certificates of sale** that
 9 are to be sold under this section.
- 10 (i) After the final determination of **the certificates of sale for**
 11 vacant parcels to be sold under subsection (h), the county executive
 12 shall:
- 13 (1) on behalf of the county, cause all delinquent taxes, special
 14 assessments, penalties, interest, and ~~costs of sale~~ with respect to
 15 the vacant parcels to be removed from the tax duplicate;
- 16 (2) give notice of the final determination to:
- 17 (A) the successful applicant;
- 18 (B) the county auditor; and
- 19 (C) the township assessor, or the county assessor if there is no
 20 township assessor for the township.
- 21 (j) Upon receipt of notice under subsection (i)(2):
- 22 (1) the county auditor shall:
- 23 (A) collect the purchase price from each successful applicant;
- 24 and
- 25 (B) subject to subsection (k), prepare a **tax** deed transferring
 26 each vacant parcel to the successful applicant **if the**
 27 **conditions of IC 6-1.1-25-4.5 are satisfied**; and
- 28 (2) the township assessor or county assessor shall consolidate
 29 each vacant parcel sold and the contiguous parcel owned by the
 30 successful applicant into a single parcel.
- 31 (k) The county auditor shall include in the **tax** deed prepared under
 32 subsection (j)(1)(B) reference to the exemption under subsection (l).
- 33 (l) Except as provided in subsection (m), each consolidated parcel
 34 referred to in subsection (j)(2) is entitled to an exemption from property
 35 taxation beginning on the assessment date that next succeeds the
 36 consolidation in the amount of the assessed value at the time of
 37 consolidation of the vacant parcel that was subject to the consolidation.
- 38 (m) The exemption under subsection (l) is terminated as of the
 39 assessment date that next succeeds the earlier of the following:
- 40 (1) Five (5) years after the transfer of title to the successful
 41 applicant.
- 42 (2) The first transfer of title to the consolidated parcel that occurs

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- 1 after the consolidation.
- 2 SECTION 5. IC 6-1.1-25-4, AS AMENDED BY P.L.56-2012,
3 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2013]: Sec. 4. (a) The period for redemption of real property
5 sold under IC 6-1.1-24 is:
- 6 (1) one (1) year after the date of sale;
7 (2) one hundred twenty (120) days after the date of sale to a
8 purchasing agency qualified under IC 36-7-17 **or IC 36-7-17.1;**
9 or
10 (3) one hundred twenty (120) days after the date of sale of real
11 property on the list prepared under IC 6-1.1-24-1(a)(2) or
12 IC 6-1.1-24-1.5.
- 13 (b) Subject to subsection (l) and IC 6-1.1-24-9(d), the period for
14 redemption of real property:
- 15 (1) on which the county executive acquires a lien under
16 IC 6-1.1-24-6; and
17 (2) for which the certificate of sale is not sold under
18 IC 6-1.1-24-6.1;
19 is one hundred twenty (120) days after the date the county executive
20 acquires the lien under IC 6-1.1-24-6.
- 21 (c) The period for redemption of real property:
- 22 (1) on which the county executive acquires a lien under
23 IC 6-1.1-24-6; and
24 (2) for which the certificate of sale is sold under IC 6-1.1-24;
25 is one hundred twenty (120) days after the date of sale of the certificate
26 of sale under IC 6-1.1-24.
- 27 (d) When a deed for real property is executed under this chapter, the
28 county auditor shall cancel the certificate of sale and file the canceled
29 certificate in the office of the county auditor. If real property that
30 appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale
31 and an amount that is at least equal to the minimum sale price required
32 under IC 6-1.1-24-5 is not received, the county auditor shall issue a
33 deed to the real property, subject to this chapter.
- 34 (e) When a deed is issued to a county executive under this chapter,
35 the taxes and special assessments for which the real property was
36 offered for sale, and all subsequent taxes, special assessments, interest,
37 penalties, and cost of sale shall be removed from the tax duplicate in
38 the same manner that taxes are removed by certificate of error.
- 39 (f) A tax deed executed under this chapter vests in the grantee an
40 estate in fee simple absolute, free and clear of all liens and
41 encumbrances created or suffered before or after the tax sale except
42 those liens granted priority under federal law and the lien of the state

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1 or a political subdivision for taxes and special assessments which
2 accrue subsequent to the sale and which are not removed under
3 subsection (e). However, subject to subsection (g), the estate is subject
4 to:

- 5 (1) all easements, covenants, declarations, and other deed
- 6 restrictions shown by public records;
- 7 (2) laws, ordinances, and regulations concerning governmental
- 8 police powers, including zoning, building, land use,
- 9 improvements on the land, land division, and environmental
- 10 protection; and
- 11 (3) liens and encumbrances created or suffered by the grantee.

12 (g) A tax deed executed under this chapter for real property sold in
13 a tax sale:

- 14 (1) does not operate to extinguish an easement recorded before
- 15 the date of the tax sale in the office of the recorder of the county
- 16 in which the real property is located, regardless of whether the
- 17 easement was taxed under this article separately from the real
- 18 property; and
- 19 (2) conveys title subject to all easements recorded before the date
- 20 of the tax sale in the office of the recorder of the county in which
- 21 the real property is located.

22 (h) A tax deed executed under this chapter is prima facie evidence
23 of:

- 24 (1) the regularity of the sale of the real property described in the
- 25 deed;
- 26 (2) the regularity of all proper proceedings; and
- 27 (3) valid title in fee simple in the grantee of the deed.

28 (i) A county auditor is not required to execute a deed to the county
29 executive under this chapter if the county executive determines that the
30 property involved contains hazardous waste or another environmental
31 hazard for which the cost of abatement or alleviation will exceed the
32 fair market value of the property. The county executive may enter the
33 property to conduct environmental investigations.

34 (j) If the county executive makes the determination under subsection
35 (i) as to any interest in an oil or gas lease or separate mineral rights, the
36 county treasurer shall certify all delinquent taxes, interest, penalties,
37 and costs assessed under IC 6-1.1-24 to the clerk, following the
38 procedures in IC 6-1.1-23-9. After the date of the county treasurer's
39 certification, the certified amount is subject to collection as delinquent
40 personal property taxes under IC 6-1.1-23. Notwithstanding
41 IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an
42 interest shall be zero (0) until production commences.

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1 (k) When a deed is issued to a purchaser of a certificate of sale sold
 2 under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that
 3 taxes are removed by certificate of error, remove from the tax duplicate
 4 the taxes, special assessments, interest, penalties, and costs remaining
 5 due as the difference between the amount of the last minimum bid
 6 under IC 6-1.1-24-5 and the amount paid for the certificate of sale.

7 (l) If a tract or item of real property did not sell at a tax sale and the
 8 county treasurer and the owner of real property agree before the
 9 expiration of the period for redemption under subsection (b) to a
 10 mutually satisfactory arrangement for the payment of the entire amount
 11 required for redemption under section 2 of this chapter before the
 12 expiration of a period for redemption extended under this subsection:

13 (1) the county treasurer may extend the period for redemption;
 14 and

15 (2) except as provided in subsection (m), the extended period for
 16 redemption expires one (1) year after the date of the agreement.

17 (m) If the owner of real property fails to meet the terms of an
 18 agreement entered into with the county treasurer under subsection (l),
 19 the county treasurer may terminate the agreement after providing thirty
 20 (30) days written notice to the owner. If the county treasurer gives
 21 notice under this subsection, the extended period for redemption
 22 established under subsection (l) expires thirty (30) days after the date
 23 of the notice.

24 SECTION 6. IC 6-1.1-25-5.5 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5.5. (a) The deed given
 26 by the county auditor to a county that acquired property under
 27 IC 6-1.1-24-6, or to a city agency that acquired property under
 28 IC 36-7-17 or IC 36-7-17.1, shall be in a form prescribed by the state
 29 board of accounts and approved by the attorney general.

30 (b) The deed given by the county auditor to a city that acquired
 31 property under IC 6-1.1-24-6.6 before its expiration and repeal must be
 32 in a form prescribed by the state board of accounts and approved by the
 33 attorney general.

34 SECTION 7. IC 6-1.1-25-7.5 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7.5. (a) This section
 36 applies to a county having a consolidated city.

37 (b) The county auditor shall provide the metropolitan development
 38 commission with a list of real property:

39 (1) included on the list prepared under IC 6-1.1-24-1.5;

40 (2) for which a certificate of sale has been issued; and

41 (3) for which the holder of the certificate has not requested the
 42 county auditor to execute and deliver a deed.

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1 (c) The metropolitan development commission shall, within a
 2 reasonable time after receiving a list under subsection (b), identify any
 3 property described under subsection (b) that the metropolitan
 4 development commission desires to acquire for urban homesteading
 5 under IC 36-7-17 or **IC 36-7-17.1** or for redevelopment purposes
 6 under IC 36-7-15.1. The metropolitan development commission shall
 7 then provide the county auditor with a list of the properties identified
 8 under this subsection.

9 (d) The county auditor shall execute and deliver a deed for any
 10 property identified under subsection (c) to the metropolitan
 11 development commission.

12 (e) The county auditor shall execute and deliver a deed to the county
 13 for any property:

14 (1) included in the notice prepared under subsection (b); and

15 (2) not identified under subsection (c).

16 (f) The metropolitan development commission and the county may
 17 not pay for any property acquired under subsection (d) or (e). However,
 18 a taxing unit having an interest in the taxes on the real property shall
 19 be credited with the full amount of the delinquent tax due to that unit.

20 SECTION 8. IC 36-1-11-1, AS AMENDED BY P.L.154-2012,
 21 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2013]: Sec. 1. (a) Except as provided in subsection (b), this
 23 chapter applies to the disposal of property by:

24 (1) political subdivisions; and

25 (2) their agencies.

26 (b) This chapter does not apply to the following:

27 (1) The disposal of property under an urban homesteading
 28 program under IC 36-7-17 or **IC 36-7-17.1**.

29 (2) The lease of school buildings under IC 20-47.

30 (3) The sale of land to a lessor in a lease-purchase contract under
 31 IC 36-1-10.

32 (4) The disposal of property by a redevelopment commission
 33 established under IC 36-7.

34 (5) The leasing of property by a board of aviation commissioners
 35 established under IC 8-22-2 or an airport authority established
 36 under IC 8-22-3.

37 (6) The disposal of a municipally owned utility under IC 8-1.5.

38 (7) The sale or lease of property by a unit to an Indiana nonprofit
 39 corporation organized for educational, literary, scientific,
 40 religious, or charitable purposes that is exempt from federal
 41 income taxation under Section 501 of the Internal Revenue Code
 42 or the sale or reletting of that property by the nonprofit

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- 1 corporation.
- 2 (8) The disposal of surplus property by a hospital established and
- 3 operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8,
- 4 IC 16-23-1, or IC 16-24-1.
- 5 (9) The sale or lease of property acquired under IC 36-7-13 for
- 6 industrial development.
- 7 (10) The sale, lease, or disposal of property by a local hospital
- 8 authority under IC 5-1-4.
- 9 (11) The sale or other disposition of property by a county or
- 10 municipality to finance housing under IC 5-20-2.
- 11 (12) The disposition of property by a soil and water conservation
- 12 district under IC 14-32.
- 13 (13) The sale, lease, or disposal of property by the health and
- 14 hospital corporation established and operated under IC 16-22-8.
- 15 (14) The disposal of personal property by a library board under
- 16 IC 36-12-3-5(c).
- 17 (15) The sale or disposal of property by the historic preservation
- 18 commission under IC 36-7-11.1.
- 19 (16) The disposal of an interest in property by a housing authority
- 20 under IC 36-7-18.
- 21 (17) The disposal of property under IC 36-9-37-26.
- 22 (18) The disposal of property used for park purposes under
- 23 IC 36-10-7-8.
- 24 (19) The disposal of textbooks that will no longer be used by
- 25 school corporations under IC 20-26-12.
- 26 (20) The disposal of residential structures or improvements by a
- 27 municipal corporation without consideration to:
- 28 (A) a governmental entity; or
- 29 (B) a nonprofit corporation that is organized to expand the
- 30 supply or sustain the existing supply of good quality,
- 31 affordable housing for residents of Indiana having low or
- 32 moderate incomes.
- 33 (21) The disposal of historic property without consideration to a
- 34 nonprofit corporation whose charter or articles of incorporation
- 35 allows the corporation to take action for the preservation of
- 36 historic property. As used in this subdivision, "historic property"
- 37 means property that is:
- 38 (A) listed on the National Register of Historic Places; or
- 39 (B) eligible for listing on the National Register of Historic
- 40 Places, as determined by the division of historic preservation
- 41 and archeology of the department of natural resources.
- 42 (22) The disposal of real property without consideration to:

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1 (A) a governmental agency; or
 2 (B) a nonprofit corporation that exists for the primary purpose
 3 of enhancing the environment;
 4 when the property is to be used for compliance with a permit or
 5 an order issued by a federal or state regulatory agency to mitigate
 6 an adverse environmental impact.

7 (23) The disposal of property to a person under an agreement
 8 between the person and a political subdivision or an agency of a
 9 political subdivision under IC 5-23.

10 (24) The disposal of residential real property pursuant to a federal
 11 aviation regulation (14 CFR 150) Airport Noise Compatibility
 12 Planning Program as approved by the Federal Aviation
 13 Administration.

14 SECTION 9. IC 36-7-14-22.5, AS ADDED BY P.L.169-2006,
 15 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2013]: Sec. 22.5. (a) This section applies to the following:

- 17 (1) Real property:
 18 (A) that was acquired by the commission to carry out a
 19 redevelopment project, an economic development area project,
 20 or an urban renewal project; and
 21 (B) relative to which the commission has, at a public hearing,
 22 decided that the real property is not needed to complete the
 23 redevelopment activity, an economic development activity, or
 24 urban renewal activity in the project area.
 25 (2) Real property acquired under this chapter that is not in a
 26 redevelopment project area, economic development area, or an
 27 urban renewal project area.
 28 (3) Parcels of property secured from the county under
 29 IC 6-1.1-25-9(e) that were acquired by the county under
 30 IC 6-1.1-24 and IC 6-1.1-25.
 31 (4) Real property donated or transferred to the commission to be
 32 held and disposed of under this section.

33 However, this section does not apply to property acquired under section
 34 32.5 of this chapter.

35 (b) The commission may do the following to or for real property
 36 described in subsection (a):

- 37 (1) Examine, classify, manage, protect, insure, and maintain the
 38 property.
 39 (2) Eliminate deficiencies (including environmental deficiencies),
 40 carry out repairs, remove structures, and make improvements.
 41 (3) Control the use of the property.
 42 (4) Lease the property.

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- 1 (5) Use any powers under section 12.2 of this chapter in relation
- 2 to the property.
- 3 (c) The commission may enter into contracts to carry out part or all
- 4 of the functions described in subsection (b).
- 5 (d) The commission may extinguish all delinquent taxes, special
- 6 assessments, and penalties relative to real property donated to the
- 7 commission to be held and disposed of under this section. The
- 8 commission shall provide the county auditor with a list of the real
- 9 property on which delinquent taxes, special assessments, and penalties
- 10 are extinguished under this subsection.
- 11 (e) Real property described in subsection (a) may be sold,
- 12 exchanged, transferred, granted, donated, or otherwise disposed of in
- 13 any of the following ways:
- 14 (1) In accordance with section 22, 22.2, 22.6, or 22.7 of this
- 15 chapter.
- 16 (2) In accordance with the provisions authorizing an urban
- 17 homesteading program under IC 36-7-17 **or IC 36-7-17.1.**
- 18 (f) In disposing of real property under subsection (e), the
- 19 commission may:
- 20 (1) group together properties for disposition in a manner that will
- 21 best serve the interest of the community, from the standpoint of
- 22 both human and economic welfare; and
- 23 (2) group together nearby or similar properties to facilitate
- 24 convenient disposition.
- 25 SECTION 10. IC 36-7-14-32.5, AS AMENDED BY P.L.146-2008,
- 26 SECTION 736, IS AMENDED TO READ AS FOLLOWS
- 27 [EFFECTIVE JULY 1, 2013]: Sec. 32.5. (a) Subject to the approval of
- 28 the fiscal body of the unit that established the department of
- 29 redevelopment, the commission may acquire a parcel of real property
- 30 by the exercise of eminent domain when the real property has all of the
- 31 following characteristics:
- 32 (1) The real property meets at least one (1) of the conditions
- 33 described in IC 32-24-4.5-7(1).
- 34 (2) The real property is capable of being developed or
- 35 rehabilitated to provide affordable housing for low or moderate
- 36 income families or to provide other development that will benefit
- 37 or serve low or moderate income families.
- 38 (3) The condition of the real property has a negative impact on the
- 39 use or value of the neighboring properties or other properties in
- 40 the community.
- 41 (b) The commission or the commission's designated hearing
- 42 examiner shall conduct a public meeting to determine whether a parcel

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1 of real property has the characteristics set forth in subsection (a). Each
2 person holding a fee or life estate interest of record in the property must
3 be given notice by first class mail of the time and date of the hearing at
4 least ten (10) days before the hearing and is entitled to present evidence
5 and make arguments at the hearing.

6 (c) If the commission considers it necessary to acquire real property
7 under this section, the commission shall adopt a resolution setting out
8 the commission's determination to exercise that power and directing the
9 commission's attorney to file a petition in the name of the city on behalf
10 of the department in the circuit or superior court with jurisdiction in the
11 county.

12 (d) Eminent domain proceedings under this section are governed by
13 IC 32-24.

14 (e) The commission shall use real property acquired under this
15 section for one (1) of the following purposes:

16 (1) Sale in an urban homestead program under IC 36-7-17 **or**
17 **IC 36-7-17.1.**

18 (2) Sale to a family whose income is at or below the county's
19 median income for families.

20 (3) Sale or grant to a neighborhood development corporation with
21 a condition in the granting clause of the deed requiring the
22 nonprofit development corporation to lease or sell the property to
23 a family whose income is at or below the county's median income
24 for families or to cause development that will serve or benefit
25 families whose income is at or below the unit's median income for
26 families.

27 (4) Any other purpose appropriate under this chapter so long as
28 it will serve or benefit families whose income is at or below the
29 unit's median income for families.

30 (f) A neighborhood development corporation or nonprofit
31 corporation that receives property under this section must agree to
32 rehabilitate or otherwise develop the property in a manner that is
33 similar to and consistent with the use of the other properties in the area
34 served by the corporation.

35 SECTION 11. IC 36-7-15.1-15.5, AS ADDED BY P.L.169-2006,
36 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2013]: Sec. 15.5. (a) This section applies to the following:

- 38 (1) Real property:
39 (A) that was acquired by the commission to carry out a
40 redevelopment project, an economic development area project,
41 or an urban renewal project; and
42 (B) relative to which the commission has, at a public hearing,

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1 decided that the real property is not needed to complete the
2 redevelopment activity, an economic development area
3 activity, or urban renewal activity in the project area.
4 (2) Real property acquired under this chapter that is not in a
5 redevelopment project area, an economic development area, or an
6 urban renewal project area.
7 (3) Parcels of property secured from the county under
8 IC 6-1.1-25-9(e) that were acquired by the county under
9 IC 6-1.1-24 and IC 6-1.1-25.
10 (4) Real property donated or transferred to the commission to be
11 held and disposed of under this section.
12 However, this section does not apply to property acquired under section
13 22.5 of this chapter.
14 (b) The commission may do the following to or for real property
15 described in subsection (a):
16 (1) Examine, classify, manage, protect, insure, and maintain the
17 property.
18 (2) Eliminate deficiencies (including environmental deficiencies),
19 carry out repairs, remove structures, and make improvements.
20 (3) Control the use of the property.
21 (4) Lease the property.
22 (5) Use any powers under section 7(a) or 7(b) of this chapter in
23 relation to the property.
24 (c) The commission may enter into contracts to carry out part or all
25 of the functions described in subsection (b).
26 (d) The commission may extinguish all delinquent taxes, special
27 assessments, and penalties relative to real property donated to the
28 commission to be held and disposed of under this section. The
29 commission shall provide the county auditor with a list of the real
30 property on which delinquent taxes, special assessments, and penalties
31 are extinguished under this subsection.
32 (e) Real property described in subsection (a) may be sold,
33 exchanged, transferred, granted, donated, or otherwise disposed of in
34 any of the following ways:
35 (1) In accordance with section 15, 15.1, 15.2, 15.6, or 15.7 of this
36 chapter.
37 (2) In accordance with the provisions authorizing an urban
38 homesteading program under IC 36-7-17 or **IC 36-7-17.1**.
39 (f) In disposing of real property under subsection (e), the
40 commission may:
41 (1) group together properties for disposition in a manner that will
42 best serve the interest of the community, from the standpoint of

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1 both human and economic welfare; and
 2 (2) group together nearby or similar properties to facilitate
 3 convenient disposition.
 4 SECTION 12. IC 36-7-15.1-22.5, AS AMENDED BY
 5 P.L.146-2008, SECTION 753, IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22.5. (a) Subject to the
 7 approval of the county fiscal body, the commission may acquire a
 8 parcel of real property by the exercise of eminent domain when the
 9 following conditions exist:
 10 (1) The real property meets at least one (1) of the conditions
 11 described in IC 32-24-4.5-7(1).
 12 (2) The real property is capable of being developed or
 13 rehabilitated to provide affordable housing for low or moderate
 14 income families or to provide other development that will benefit
 15 or serve low or moderate income families.
 16 (3) The real property suffers from one (1) or more of the
 17 conditions listed in IC 36-7-1-3, resulting in a negative impact on
 18 the use or value of the neighboring properties or other properties
 19 in the community.
 20 (b) The commission or its designated hearing examiner shall
 21 conduct a public meeting to determine whether the conditions set forth
 22 in subsection (a) exist relative to a parcel of real property. Each person
 23 holding a fee or life estate interest of record in the property must be
 24 given notice by first class mail of the time and date of the hearing at
 25 least ten (10) days before the hearing, and is entitled to present
 26 evidence and make arguments at the hearing.
 27 (c) If the commission considers it necessary to acquire real property
 28 under this section, it shall adopt a resolution setting out its
 29 determination to exercise that power and directing its attorney to file
 30 a petition in the name of the city on behalf of the department in the
 31 circuit or superior court in the county.
 32 (d) Eminent domain proceedings under this section are governed by
 33 IC 32-24.
 34 (e) The commission shall use real property acquired under this
 35 section for one (1) of the following purposes:
 36 (1) Sale in an urban homestead program under IC 36-7-17 or
 37 **IC 36-7-17.1.**
 38 (2) Sale to a family whose income is at or below the county's
 39 median income for families.
 40 (3) Sale or grant to a neighborhood development corporation or
 41 other nonprofit corporation, with a condition in the granting
 42 clause of the deed requiring the nonprofit organization to lease or

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1 sell the property to a family whose income is at or below the
 2 county's median income for families or to cause development that
 3 will serve or benefit families whose income is at or below the
 4 county's median income for families. However, a nonprofit
 5 organization is eligible for a sale or grant under this subdivision
 6 only if the county fiscal body has determined that the nonprofit
 7 organization meets the criteria established under subsection (f).
 8 (4) Any other purpose appropriate under this chapter so long as
 9 it will serve or benefit families whose income is at or below the
 10 county's median income for families.

11 (f) The county fiscal body shall establish criteria for determining the
 12 eligibility of neighborhood development corporations and other
 13 nonprofit corporations for sales and grants of real property under
 14 subsection (e)(3). A neighborhood development corporation or other
 15 nonprofit corporation may apply to the county fiscal body for a
 16 determination concerning the corporation's compliance with the criteria
 17 established under this subsection.

18 (g) A neighborhood development corporation or nonprofit
 19 corporation that receives property under this section must agree to
 20 rehabilitate or otherwise develop the property in a manner that is
 21 similar to and consistent with the use of the other properties in the area
 22 served by the corporation.

23 SECTION 13. IC 36-7-17.1 IS ADDED TO THE INDIANA CODE
 24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]:

26 **Chapter 17.1. Alternative Urban Homesteading Program for**
 27 **Qualified Individuals**

28 **Sec. 1. This chapter applies to all units except townships.**

29 **Sec. 2. As used in this chapter "rehabilitation loan" refers to a**
 30 **rehabilitation loan (as defined in 24 CFR 203.50(a)(1)) that is**
 31 **eligible for insurance under Section 203(k) of the National Housing**
 32 **Act (12 U.S.C. 1709(4k)).**

33 **Sec. 3. (a) The fiscal body of a unit may by ordinance designate**
 34 **an agency or quasi-public corporation, or establish a new agency,**
 35 **to administer an urban homesteading program under which a**
 36 **dwelling for one (1) to four (4) families may be conveyed to**
 37 **individuals who must:**

- 38 (1) occupy and rehabilitate the dwelling; and
- 39 (2) use a rehabilitation loan to finance both:
 - 40 (A) the purchase of the dwelling and the real property on
 - 41 which it is located in a sale under this chapter; and
 - 42 (B) the rehabilitation of the dwelling; and

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1 (3) comply with the program regulations set forth in 24 CFR
2 203.50 and 24 CFR 203.440 et seq., with respect to the
3 rehabilitation loan described in subdivision (2).

4 (b) If the fiscal body of a unit has adopted an ordinance under
5 IC 36-7-17-2 to:

- 6 (1) designate an agency or quasi-public corporation; or
- 7 (2) establish an agency;

8 to administer an urban homesteading program under IC 36-7-17,
9 the fiscal body of the unit may designate the same agency or
10 quasi-public corporation designated or established under the
11 ordinance adopted under IC 36-7-17-2 to administer an urban
12 homesteading program under this chapter.

13 Sec. 4. (a) The agency designated or established under section 3
14 of this chapter may acquire real property in the name of the unit,
15 for use as provided in this chapter.

16 (b) Under IC 6-1.1-24-4.5, the county auditor shall provide a list
17 of real property on which one (1) or more installments of taxes are
18 delinquent.

19 (c) Under IC 6-1.1-25-1 and IC 6-1.1-25-4, the agency may
20 acquire the deed for real property purchased at tax sale for the
21 purposes of this chapter one hundred twenty (120) days after the
22 date of sale, after compliance with the notice provisions of
23 IC 6-1.1-25-4.5.

24 (d) Under IC 6-1.1-25-7.5, the agency may acquire the deed for
25 real property for which the holder of the certificate of sale has
26 failed to request that the county auditor execute and deliver a deed
27 within one hundred twenty (120) days after issuance of the
28 certificate.

29 (e) In addition to real property acquired through tax sale for the
30 purposes of this chapter, the agency may acquire real property by
31 purchase or gift.

32 Sec. 5. The agency shall, after the acquisition of real property
33 for use as provided in this chapter, take the steps necessary to fully
34 inform the residents of each unit in which the dwellings are located
35 of:

- 36 (1) the existence, nature, and location of the dwellings;
- 37 (2) the qualifications required for participation in the
38 program under this chapter; and
- 39 (3) the terms and conditions on which the dwellings may be
40 conveyed to qualified individuals.

41 Sec. 6. (a) An individual may apply for the program by
42 completing an application.

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1 (b) An individual is qualified and shall be approved to receive
2 real property offered under this chapter if:

- 3 (1) the individual is at least eighteen (18) years of age;
- 4 (2) the individual applies for and receives a rehabilitation loan
5 with respect to the real property not later than the period
6 prescribed by the director of the agency in the rules and
7 regulations described in section 11 of this chapter; and
- 8 (3) the individual, and the individual's immediate family, has
9 not previously participated in the program under this
10 chapter.

11 (c) Individuals who apply for the program and meet the
12 requirements of subsection (b)(1) and (b)(3) are entitled to receive
13 a list of all properties owned by the unit that are available under
14 this chapter.

15 (d) Individuals described in subsection (c) may apply for each
16 dwelling in which they are interested. A drawing shall be held to
17 determine those applicants receiving the dwellings. Each approved
18 individual and the individual's immediate family may receive only
19 one (1) dwelling in the drawing.

20 Sec. 7. (a) The conveyance of a dwelling to an applicant under
21 this chapter shall be made in return for a fee of:

- 22 (1) one dollar (\$1); plus
- 23 (2) the amounts described in IC 6-1.1-24-5(f)(4) through
24 IC 6-1.1-24-5(f)(6);

25 if the applicant executes an agreement that meets the minimum
26 conditions specified in subsection (b).

27 (b) The agreement described in subsection (a) must include the
28 following minimum conditions:

- 29 (1) The applicant must apply for and receive a rehabilitation
30 loan with respect to the dwelling and the real property on
31 which it is located not later than the period prescribed by the
32 director of the agency in the rules and regulations described
33 in section 11 of this chapter.
- 34 (2) Upon receiving the rehabilitation loan described in
35 subdivision (1), the applicant must comply with the program
36 regulations set forth in 24 CFR 203.50 and 24 CFR 203.440 et
37 seq., with respect to the rehabilitation loan described in
38 subdivision (1).
- 39 (3) The applicant must comply with any additional terms,
40 conditions, and requirements that the agency may impose to
41 assure that the purposes of this chapter are carried out. This
42 may include the requirement that the dwelling be

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1 rehabilitated to minimum building code standards before
 2 possession.
 3 **Sec. 8. (a)** The agency shall convey real property acquired for
 4 the purposes of this chapter to an individual qualified under
 5 section 7 of this chapter by using a method prescribed by
 6 subsection (b) or (c).
 7 **(b)** The real property may be conveyed by a conditional sales
 8 contract, with title to remain in the agency until the individual
 9 receives the rehabilitation loan described in section 7(b)(1) of this
 10 chapter, subject to section 9 of this chapter.
 11 **(c)** The title to real property may be conveyed as a determinable
 12 fee, with the language of the granting clause in the deed of
 13 conveyance providing that the real property is conveyed on the
 14 conditions that the purchaser:
 15 **(1)** will apply for and receive a rehabilitation loan with
 16 respect to the real property not later than the period
 17 prescribed by the director of the agency in the rules and
 18 regulations described in section 11 of this chapter; and
 19 **(2)** will comply with such additional terms, conditions, and
 20 requirements as the agency requires under this chapter.
 21 **Sec. 9.** Before the vesting of a fee simple title in the purchaser
 22 under section 10 of this chapter, any material failure by the
 23 purchaser to carry out the agreement entered into under section 7
 24 of this chapter nullifies the agreement and all right, title, and
 25 interest in the property immediately reverts to the agency, except
 26 that the agency may grant the purchaser a specified period, not to
 27 exceed two (2) years, to come into compliance with the terms of the
 28 agreement.
 29 **Sec. 10.** If, after purchasing real property under this chapter, an
 30 individual has complied with the terms of the individual's
 31 agreement under section 7(b)(1) and 7(b)(3) of this chapter, the
 32 agency shall convey to the individual a fee simple title to the real
 33 property.
 34 **Sec. 11.** The director of the agency shall prescribe the rules and
 35 regulations necessary to carry out this chapter, including rules and
 36 regulations establishing the period by which an individual must
 37 apply for and receive a rehabilitation loan with respect to the
 38 dwelling and the real property on which it is located, as described
 39 in section 7(b)(1) of this chapter.
 40 **Sec. 12.** Property acquired or held under this chapter with
 41 retention of the deed by the unit is considered property of the unit
 42 held for municipal purposes and is exempt from property taxation.

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1 **This property tax exemption becomes effective on the date of**
2 **conveyance to the unit. A petition to cancel taxes or a certified**
3 **application for exemption is not required for property acquired or**
4 **held under this chapter.**
5 **Sec. 13. (a) A property for which no one applies in two (2)**
6 **successive drawings held under this chapter may be sold at public**
7 **auction to the highest bidder.**
8 **(b) The proceeds of the sale of real property acquired under**
9 **IC 6-1.1-25-7.5 shall be applied to the cost of the sale, including**
10 **advertising and appraisal.**
11 **(c) If any proceeds remain after payment of the costs under**
12 **subsection (b), the proceeds shall be applied to the payment of**
13 **taxes removed from the tax duplicate under IC 6-1.1-25-4(e).**
14 **(d) If any proceeds remain after payment of the taxes under**
15 **subsection (c), the proceeds shall be deposited in the county general**
16 **fund.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1568, 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 the title and insert the following:

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

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 HB 1568 as introduced.)

BURTON, Chair

Committee Vote: yeas 10, nays 0.

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