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# SENATE BILL No. 398

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1.

**Synopsis:** Delinquent property tax sales. Requires, for tax deeds executed for real property sold at a tax sale, that the county auditor submit the tax deed directly to the county recorder for recording and charge the tax sale purchaser the appropriate recording fee. Requires that the certificate of sale that is issued to a tax sale purchaser must include a statement that taxes, special assessments, interest, penalties, and fees accruing on the property after the date of the tax sale are liens against the property. Adds notice requirements concerning the accruing of these liens on tax sale property after the date of the tax sale. Specifies that to obtain a tax deed, the petitioner must pay the taxes, special assessments, interest, penalties, and fees that accrue after the date of the tax sale. Requires, instead of permits, a person buying property at a tax sale to petition for a tax deed within six months after the redemption period ends. Specifies that a person who fails to timely file the petition for a tax deed is not entitled to the return of the purchase price or any part of the purchase price. (Current law specifies that the purchaser's lien terminates.)

**Effective:** July 1, 2013.

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January 10, 2013, read first time and referred to Committee on Tax and Fiscal Policy.

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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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# SENATE BILL No. 398



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

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

1 SECTION 1. IC 6-1.1-24-2, AS AMENDED BY P.L.56-2012,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2013]: Sec. 2. (a) In addition to the delinquency list required  
4 under section 1 of this chapter, each county auditor shall prepare a  
5 notice. The notice shall contain the following:  
6 (1) A list of tracts or real property eligible for sale under this  
7 chapter.  
8 (2) A statement that the tracts or real property included in the list  
9 will be sold at public auction to the highest bidder, subject to the  
10 right of redemption.  
11 (3) A statement that the tracts or real property will not be sold for  
12 an amount which is less than the sum of:  
13 (A) the delinquent taxes and special assessments on each tract  
14 or item of real property;  
15 (B) the taxes and special assessments on each tract or item of  
16 real property that are due and payable in the year of the sale,  
17 whether or not they are delinquent;



- 1 (C) all penalties due on the delinquencies;  
 2 (D) an amount prescribed by the county auditor that equals the  
 3 sum of:  
 4 (i) the greater of twenty-five dollars (\$25) or postage and  
 5 publication costs; and  
 6 (ii) any other actual costs incurred by the county that are  
 7 directly attributable to the tax sale; and  
 8 (E) any unpaid costs due under subsection (b) from a prior tax  
 9 sale.  
 10 (4) A statement that a person redeeming each tract or item of real  
 11 property after the sale must pay:  
 12 (A) one hundred ten percent (110%) of the amount of the  
 13 minimum bid for which the tract or item of real property was  
 14 offered at the time of sale if the tract or item of real property  
 15 is redeemed not more than six (6) months after the date of  
 16 sale;  
 17 (B) one hundred fifteen percent (115%) of the amount of the  
 18 minimum bid for which the tract or item of real property was  
 19 offered at the time of sale if the tract or item of real property  
 20 is redeemed more than six (6) months after the date of sale;  
 21 (C) the amount by which the purchase price exceeds the  
 22 minimum bid on the tract or item of real property plus ten  
 23 percent (10%) per annum on the amount by which the  
 24 purchase price exceeds the minimum bid; and  
 25 (D) all taxes and special assessments on the tract or item of  
 26 real property ~~paid by the purchaser~~ **that accrue** after the **date**  
 27 **of the** tax sale plus interest at the rate of ten percent (10%) per  
 28 annum on the amount of taxes and special assessments **that**  
 29 **accrued and were** paid by the purchaser on the redeemed  
 30 property.  
 31 (5) A statement for informational purposes only, of the location  
 32 of each tract or item of real property by key number, if any, and  
 33 street address, if any, or a common description of the property  
 34 other than a legal description. The township assessor, or the  
 35 county assessor if there is no township assessor for the township,  
 36 upon written request from the county auditor, shall provide the  
 37 information to be in the notice required by this subsection. A  
 38 misstatement in the key number or street address does not  
 39 invalidate an otherwise valid sale.  
 40 (6) A statement that the county does not warrant the accuracy of  
 41 the street address or common description of the property.  
 42 (7) A statement indicating:

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- 1 (A) the name of the owner of each tract or item of real
- 2 property with a single owner; or
- 3 (B) the name of at least one (1) of the owners of each tract or
- 4 item of real property with multiple owners.
- 5 (8) A statement of the procedure to be followed for obtaining or
- 6 objecting to a judgment and order of sale, that must include the
- 7 following:
- 8 (A) A statement:
- 9 (i) that the county auditor and county treasurer will apply on
- 10 or after a date designated in the notice for a court judgment
- 11 against the tracts or real property for an amount that is not
- 12 less than the amount set under subdivision (3), and for an
- 13 order to sell the tracts or real property at public auction to
- 14 the highest bidder, subject to the right of redemption; and
- 15 (ii) indicating the date when the period of redemption
- 16 specified in IC 6-1.1-25-4 will expire.
- 17 (B) A statement that any defense to the application for
- 18 judgment must be:
- 19 (i) filed with the court; and
- 20 (ii) served on the county auditor and the county treasurer;
- 21 before the date designated as the earliest date on which the
- 22 application for judgment may be filed.
- 23 (C) A statement that the county auditor and the county
- 24 treasurer are entitled to receive all pleadings, motions,
- 25 petitions, and other filings related to the defense to the
- 26 application for judgment.
- 27 (D) A statement that the court will set a date for a hearing at
- 28 least seven (7) days before the advertised date and that the
- 29 court will determine any defenses to the application for
- 30 judgment at the hearing.
- 31 (9) A statement that the sale will be conducted at a place
- 32 designated in the notice and that the sale will continue until all
- 33 tracts and real property have been offered for sale.
- 34 (10) A statement that the sale will take place at the times and
- 35 dates designated in the notice. Whenever the public auction is to
- 36 be conducted as an electronic sale, the notice must include a
- 37 statement indicating that the public auction will be conducted as
- 38 an electronic sale and a description of the procedures that must be
- 39 followed to participate in the electronic sale.
- 40 (11) A statement that a person redeeming each tract or item after
- 41 the sale must pay the costs described in IC 6-1.1-25-2(e).
- 42 (12) If a county auditor and county treasurer have entered into an

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1 agreement under IC 6-1.1-25-4.7, a statement that the county  
2 auditor will perform the duties of the notification and title search  
3 under IC 6-1.1-25-4.5 and the notification and petition to the  
4 court for the tax deed under IC 6-1.1-25-4.6.

5 (13) A statement that, if the tract or item of real property is sold  
6 for an amount more than the minimum bid and the property is not  
7 redeemed, the owner of record of the tract or item of real property  
8 who is divested of ownership at the time the tax deed is issued  
9 may have a right to the tax sale surplus.

10 (14) If a determination has been made under subsection (d), a  
11 statement that tracts or items will be sold together.

12 (15) With respect to a tract or an item of real property that is  
13 subject to sale under this chapter after June 30, 2012, and before  
14 July 1, 2013, a statement declaring whether an ordinance adopted  
15 under IC 6-1.1-37-10.1 is in effect in the county and, if  
16 applicable, an explanation of the circumstances in which penalties  
17 on the delinquent taxes and special assessments will be waived.

18 (b) If within sixty (60) days before the date of the tax sale the county  
19 incurs costs set under subsection (a)(3)(D) and those costs are not paid,  
20 the county auditor shall enter the amount of costs that remain unpaid  
21 upon the tax duplicate of the property for which the costs were set. The  
22 county treasurer shall mail notice of unpaid costs entered upon a tax  
23 duplicate under this subsection to the owner of the property identified  
24 in the tax duplicate.

25 (c) The amount of unpaid costs entered upon a tax duplicate under  
26 subsection (b) must be paid no later than the date upon which the next  
27 installment of real estate taxes for the property is due. Unpaid costs  
28 entered upon a tax duplicate under subsection (b) are a lien against the  
29 property described in the tax duplicate, and amounts remaining unpaid  
30 on the date the next installment of real estate taxes is due may be  
31 collected in the same manner that delinquent property taxes are  
32 collected.

33 (d) The county auditor and county treasurer may establish the  
34 condition that a tract or item will be sold and may be redeemed under  
35 this chapter only if the tract or item is sold or redeemed together with  
36 one (1) or more other tracts or items. Property may be sold together  
37 only if the tract or item is owned by the same person.

38 SECTION 2. IC 6-1.1-24-9, AS AMENDED BY P.L.73-2010,  
39 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JULY 1, 2013]: Sec. 9. (a) Immediately after a tax sale purchaser pays  
41 the bid, as evidenced by the receipt of the county treasurer, or  
42 immediately after the county acquires a lien under section 6 of this

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1 chapter, the county auditor shall deliver a certificate of sale to the  
 2 purchaser or to the county or to the city. The certificate shall be signed  
 3 by the auditor and registered in the auditor's office. The certificate shall  
 4 contain:

5 (1) a description of real property that corresponds to the  
 6 description used on the notice of sale;

7 (2) the name of:

8 (A) the owner of record at the time of the sale of real property  
 9 with a single owner; or

10 (B) at least one (1) of the owners of real property with multiple  
 11 owners;

12 (3) the mailing address of the owner of the real property sold as  
 13 indicated in the records of the county auditor;

14 (4) the name of the purchaser;

15 (5) the date of sale;

16 (6) the amount for which the real property was sold;

17 (7) the amount of the minimum bid for which the tract or real  
 18 property was offered at the time of sale as required by section 5  
 19 of this chapter;

20 (8) the date when the period of redemption specified in  
 21 IC 6-1.1-25-4 will expire;

22 (9) the court cause number under which judgment was obtained;

23 **and**

24 (10) the street address, if any, or common description of the real  
 25 property; **and**

26 **(11) a statement that all taxes, special assessments, interest,**  
 27 **penalties, and fees will accrue on the property after the date**  
 28 **of the tax sale.**

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

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

39 (d) Subject to IC 36-1-11-8, the county executive may assign a  
 40 certificate of sale held in the name of the county executive to any  
 41 political subdivision during the life of the certificate. If an assignment  
 42 is made under this subsection, the period of redemption of the real

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1 property under IC 6-1.1-25 is one hundred twenty (120) days after the  
2 date of the assignment.

3 SECTION 3. IC 6-1.1-25-4, AS AMENDED BY P.L.56-2012,  
4 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2013]: Sec. 4. (a) The period for redemption of real property  
6 sold under IC 6-1.1-24 is:

- 7 (1) one (1) year after the date of sale;  
8 (2) one hundred twenty (120) days after the date of sale to a  
9 purchasing agency qualified under IC 36-7-17; 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, **interest,**  
 2 **penalties, and fees on the property** which accrue subsequent to the  
 3 **date of the tax** sale and which are not removed under subsection (e).

4 However, subject to subsection (g), the estate is subject 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 **including all taxes, special assessments, interest, penalties, and**  
 13 **fees on the property that accrued after the date of the tax sale.**

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

16 (1) does not operate to extinguish an easement recorded before  
 17 the date of the tax sale in the office of the recorder of the county  
 18 in which the real property is located, regardless of whether the  
 19 easement was taxed under this article separately from the real  
 20 property; and

21 (2) conveys title subject to all easements recorded before the date  
 22 of the tax sale in the office of the recorder of the county in which  
 23 the real property is located.

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

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

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

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

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

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

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1 IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an  
2 interest shall be zero (0) until production commences.

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

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

15 (1) the county treasurer may extend the period for redemption;  
16 and

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

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

26 SECTION 4. IC 6-1.1-25-4.5, AS AMENDED BY P.L.169-2006,  
27 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2013]: Sec. 4.5. (a) Except as provided in subsection (d), a  
29 purchaser or the purchaser's assignee is entitled to a tax deed to the  
30 property that was sold only if:

31 (1) the redemption period specified in section 4(a)(1) of this  
32 chapter has expired;

33 (2) the property has not been redeemed within the period of  
34 redemption specified in section 4(a) of this chapter; and

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

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

37 (B) in a county where the county auditor and county treasurer  
38 have an agreement under section 4.7 of this chapter, the  
39 county auditor;

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

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

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

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

8 (3) not later than ninety (90) days after the date the county  
 9 executive acquires the lien under IC 6-1.1-24-6, the county  
 10 auditor gives notice of the sale to:

11 (A) the owner of record at the time the lien was acquired; and

12 (B) any person with a substantial property interest of public  
 13 record in the tract or real property.

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

17 (1) the redemption period specified in section 4(c) of this chapter  
 18 has expired;

19 (2) the property has not been redeemed within the period of  
 20 redemption specified in section 4(c) of this chapter; and

21 (3) not later than ninety (90) days after the date of sale of the  
 22 certificate of sale under IC 6-1.1-24, the purchaser gives notice of  
 23 the sale to:

24 (A) the owner of record at the time of the sale; and

25 (B) any person with a substantial property interest of public  
 26 record in the tract or real property.

27 (d) The person required to give the notice under subsection (a), (b),  
 28 or (c) shall give the notice by sending a copy of the notice by certified  
 29 mail to:

30 (1) the owner of record at the time of the:

31 (A) sale of the property;

32 (B) acquisition of the lien on the property under IC 6-1.1-24-6;

33 or

34 (C) sale of the certificate of sale on the property under  
 35 IC 6-1.1-24;

36 at the last address of the owner for the property, as indicated in  
 37 the records of the county auditor; and

38 (2) any person with a substantial property interest of public record  
 39 at the address for the person included in the public record that  
 40 indicates the interest.

41 However, if the address of the person with a substantial property  
 42 interest of public record is not indicated in the public record that

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1 created the interest and cannot be located by ordinary means by the  
 2 person required to give the notice under subsection (a), (b), or (c), the  
 3 person may give notice by publication in accordance with IC 5-3-1-4  
 4 once each week for three (3) consecutive weeks.

5 (e) The notice that this section requires shall contain at least the  
 6 following:

7 (1) A statement that a petition for a tax deed will be filed on or  
 8 after a specified date.

9 (2) The date on or after which the petitioner intends to petition for  
 10 a tax deed to be issued.

11 (3) A description of the tract or real property shown on the  
 12 certificate of sale.

13 (4) The date the tract or real property was sold at a tax sale.

14 (5) The name of the:

15 (A) purchaser or purchaser's assignee;

16 (B) county executive that acquired the lien on the property  
 17 under IC 6-1.1-24-6; or

18 (C) person that purchased the certificate of sale on the  
 19 property under IC 6-1.1-24.

20 (6) A statement that any person may redeem the tract or real  
 21 property.

22 (7) The components of the amount required to redeem the tract or  
 23 real property.

24 (8) A statement that **all taxes, special assessments, interest,**  
 25 **penalties, and fees on the property that accrued after the date**  
 26 **of the tax sale are liens against the property and that** an entity  
 27 identified in subdivision (5) is entitled to reimbursement for  
 28 additional taxes, ~~or~~ special assessments, **interest, penalties, and**  
 29 **fees** on the tract or real property that were paid by the entity  
 30 subsequent to the tax sale, lien acquisition, or purchase of the  
 31 certificate of sale, and before redemption, plus interest.

32 (9) A statement that the tract or real property has not been  
 33 redeemed.

34 (10) A statement that an entity identified in subdivision (5) is  
 35 entitled to receive a deed for the tract or real property if it is not  
 36 redeemed before the expiration of the period of redemption  
 37 specified in section 4 of this chapter.

38 (11) A statement that an entity identified in subdivision (5) is  
 39 entitled to reimbursement for costs described in section 2(e) of  
 40 this chapter.

41 (12) The date of expiration of the period of redemption specified  
 42 in section 4 of this chapter.

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1 (13) A statement that if the property is not redeemed, the owner  
2 of record at the time the tax deed is issued may have a right to the  
3 tax sale surplus, if any.  
4 (14) The street address, if any, or a common description of the  
5 tract or real property.  
6 (15) The key number or parcel number of the tract or real  
7 property.  
8 (f) The notice under this section must include not more than one (1)  
9 tract or item of real property listed and sold in one (1) description.  
10 However, when more than one (1) tract or item of real property is  
11 owned by one (1) person, all of the tracts or real property that are  
12 owned by that person may be included in one (1) notice.  
13 (g) A single notice under this section may be used to notify joint  
14 owners of record at the last address of the joint owners for the property  
15 sold, as indicated in the records of the county auditor.  
16 (h) The notice required by this section is considered sufficient if the  
17 notice is mailed to the address required under subsection (d).  
18 (i) The notice under this section and the notice under section 4.6 of  
19 this chapter are not required for persons in possession not shown in the  
20 public records.  
21 (j) If the purchaser fails to:  
22 (1) comply with subsection (c)(3); or  
23 (2) petition for the issuance of a tax deed within the time  
24 permitted under section 4.6(a) of this chapter;  
25 the certificate of sale reverts to the county executive and may be  
26 retained by the county executive or sold under IC 6-1.1-24-6.1.  
27 SECTION 5. IC 6-1.1-25-4.6, AS AMENDED BY P.L.56-2012,  
28 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JULY 1, 2013]: Sec. 4.6. (a) After the expiration of the redemption  
30 period specified in section 4 of this chapter but not later than six (6)  
31 months after the expiration of the period of redemption:  
32 (1) the purchaser, the purchaser's assignee, the county executive,  
33 or the purchaser of the certificate of sale under IC 6-1.1-24 ~~may;~~  
34 **shall;** or  
35 (2) in a county where the county auditor and county treasurer  
36 have an agreement under section 4.7 of this chapter, the county  
37 auditor shall; ~~upon the request of the purchaser or the purchaser's~~  
38 ~~assignee;~~  
39 file a verified petition in the same court and under the same cause  
40 number in which the judgment of sale was entered asking the court to  
41 direct the county auditor to issue a tax deed if the real property is not  
42 redeemed from the sale. Notice of the filing of this petition shall be

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1 given to the same parties and in the same manner as provided in section  
 2 4.5 of this chapter, except that, if notice is given by publication, only  
 3 one (1) publication is required. The notice required by this section is  
 4 considered sufficient if the notice is sent to the address required by  
 5 section 4.5(d) of this chapter. Any person owning or having an interest  
 6 in the tract or real property may file a written objection to the petition  
 7 with the court not later than thirty (30) days after the date the petition  
 8 was filed. If a written objection is timely filed, the court shall conduct  
 9 a hearing on the objection.

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

15 (1) The time of redemption has expired.

16 (2) The tract or real property has not been redeemed from the sale  
 17 before the expiration of the period of redemption specified in  
 18 section 4 of this chapter.

19 (3) Except with respect to a petition for the issuance of a tax deed  
 20 under a sale of the certificate of sale on the property under  
 21 IC 6-1.1-24-6.1, all taxes and special assessments, penalties, and  
 22 costs have been paid, **including all taxes, special assessments,**  
 23 **interest, penalties, and fees on the property that accrued after**  
 24 **the date of the tax sale.**

25 (4) The notices required by this section and section 4.5 of this  
 26 chapter have been given.

27 (5) The petitioner has complied with all the provisions of law  
 28 entitling the petitioner to a deed.

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

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

40 (d) Except as provided in subsections (e) and (f), if:

41 (1) the verified petition referred to in subsection (a) is timely  
 42 filed; and

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1 (2) the court refuses to enter an order directing the county auditor  
 2 to execute and deliver the tax deed because of the failure of the  
 3 petitioner under subsection (a) to fulfill the notice requirement of  
 4 subsection (a);  
 5 the court shall order the return of the amount, if any, by which the  
 6 purchase price exceeds the minimum bid on the property under  
 7 IC 6-1.1-24-5 minus a penalty of twenty-five percent (25%) of that  
 8 excess. The petitioner is prohibited from participating in any manner  
 9 in the next succeeding tax sale in the county under IC 6-1.1-24. The  
 10 county auditor shall deposit penalties paid under this subsection in the  
 11 county general fund.

12 (e) Notwithstanding subsection (d), in all cases in which:  
 13 (1) the verified petition referred to in subsection (a) is timely  
 14 filed;  
 15 (2) the petitioner under subsection (a) has made a bona fide  
 16 attempt to comply with the statutory requirements under  
 17 subsection (b) for the issuance of the tax deed but has failed to  
 18 comply with these requirements;  
 19 (3) the court refuses to enter an order directing the county auditor  
 20 to execute and deliver the tax deed because of the failure to  
 21 comply with these requirements; and  
 22 (4) the purchaser, the purchaser's successors or assignees, or the  
 23 purchaser of the certificate of sale under IC 6-1.1-24 files a claim  
 24 with the county auditor for refund not later than thirty (30) days  
 25 after the entry of the order of the court refusing to direct the  
 26 county auditor to execute and deliver the tax deed;

27 the county auditor shall not execute the deed but shall refund the  
 28 purchase money minus a penalty of twenty-five percent (25%) of the  
 29 purchase money from the county treasury to the purchaser, the  
 30 purchaser's successors or assignees, or the purchaser of the certificate  
 31 of sale under IC 6-1.1-24. The county auditor shall deposit penalties  
 32 paid under this subsection in the county general fund. All the  
 33 delinquent taxes and special assessments shall then be reinstated and  
 34 recharged to the tax duplicate and collected in the same manner as if  
 35 the property had not been offered for sale. The tract or item of real  
 36 property, if it is then eligible for sale under IC 6-1.1-24, shall be placed  
 37 on the delinquent list as an initial offering under IC 6-1.1-24.

38 (f) Notwithstanding subsections (d) and (e), the court shall not order  
 39 the return of the purchase price or any part of the purchase price if:

40 (1) the purchaser or the purchaser of the certificate of sale under  
 41 IC 6-1.1-24 has failed to provide notice or has provided  
 42 insufficient notice as required by section 4.5 of this chapter; and

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1 (2) the sale is otherwise valid.

2 (g) A tax deed executed under this section vests in the grantee an

3 estate in fee simple absolute, free and clear of all liens and

4 encumbrances created or suffered before or after the tax sale except

5 those liens granted priority under federal law, and the lien of the state

6 or a political subdivision for taxes, ~~and~~ special assessments, **interest,**

7 **penalties, and fees on the property** that accrue subsequent to the **date**

8 **of the tax** sale. However, the estate is subject to all easements,

9 covenants, declarations, and other deed restrictions and laws governing

10 land use, including all zoning restrictions and liens and encumbrances

11 created or suffered by the purchaser at the tax sale. The deed is prima

12 facie evidence of:

13 (1) the regularity of the sale of the real property described in the

14 deed;

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

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

17 (h) A tax deed issued under this section is incontestable except by

18 appeal from the order of the court directing the county auditor to issue

19 the tax deed filed not later than sixty (60) days after the date of the

20 court's order.

21 SECTION 6. IC 6-1.1-25-7 IS AMENDED TO READ AS

22 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) If the:

23 (1) purchaser;

24 (2) purchaser's successors or assigns; or

25 (3) purchaser of the certificate of sale under IC 6-1.1-24;

26 fails to file the petition within the period provided in section 4.6 of this

27 chapter, that person's lien against the real property terminates at the end

28 of that period **and the court shall not order the return of the**

29 **purchase price or any part of the purchase price to the person.**

30 However, this section does not apply if the county or city is the holder

31 of the certificate of sale.

32 (b) If the notice under section 4.5 of this chapter is not given within

33 the period specified in section 4.5(a)(3) or 4.5(c)(3) of this chapter, the

34 lien of the:

35 (1) purchaser of the property; or

36 (2) purchaser of the certificate of sale under IC 6-1.1-24;

37 against the real property terminates at the end of that period **and the**

38 **court shall not order the return of the purchase price or any part**

39 **of the purchase price to the person.**

40 (c) **The termination of the person's lien under this section does**

41 **not affect the lien against the property for taxes, special**

42 **assessments, interest, penalties, or fees on the property that**

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1 **accrued after the date of the tax sale.**  
2 SECTION 7. IC 6-1.1-25-20 IS ADDED TO THE INDIANA CODE  
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
4 1, 2013]: **Sec. 20. A county auditor who executes a tax deed under**  
5 **this chapter shall provide a copy of the tax deed to the grantee. The**  
6 **county auditor shall collect from the grantee the appropriate**  
7 **recording fee set forth in IC 36-2-7-10 on behalf of the county**  
8 **recorder and submit the tax deed directly to the county recorder**  
9 **for recording. The county recorder shall record the tax deed in the**  
10 **deed records and provide the recorded tax deed to the grantee in**  
11 **the normal course of business.**

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