

HOUSE BILL No. 1405

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Redemption of real property sold in a tax sale. Reduces the percentage of the minimum bid that a person redeeming real property sold at a tax sale must pay: (1) from 110% to 105% of the minimum bid for which the real property was offered for sale, if the real property is redeemed within six months after the date of sale; or (2) from 115% to 110% of the minimum bid for which the real property was offered for sale, if the real property is redeemed more than six months after the date of sale.

Effective: July 1, 2013.

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January 22, 2013, read first time and referred to Committee on Local Government.

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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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HOUSE BILL No. 1405



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 for a~~ tract or item of real
- 15 property is redeemed not more than six (6) months after the
- 16 date of sale:
- 17 (i) **one hundred ten percent (110%) of the amount of the**
- 18 **minimum bid for which the tract or item of real property**
- 19 **was offered at the time of sale, if the date of sale**
- 20 **occurred before July 1, 2013; or**
- 21 (ii) **one hundred five percent (105%) of the amount of**
- 22 **the minimum bid for which the tract or item of real**
- 23 **property was offered at the time of sale, if the date of**
- 24 **sale occurred after June 30, 2013;**
- 25 (B) ~~one hundred fifteen percent (115%)~~ of the amount of the
- 26 ~~minimum bid for which the tract or item of real property was~~
- 27 ~~offered at the time of sale if the for a~~ tract or item of real
- 28 property is redeemed more than six (6) months after the date
- 29 of sale:
- 30 (i) **one hundred fifteen percent (115%) of the amount of**
- 31 **the minimum bid for which the tract or item of real**
- 32 **property was offered at the time of sale, if the date of**
- 33 **sale occurred before July 1, 2013; or**
- 34 (ii) **one hundred ten percent (110%) of the amount of the**
- 35 **minimum bid for which the tract or item of real property**
- 36 **was offered at the time of sale, if the date of sale**
- 37 **occurred after June 30, 2013;**
- 38 (C) the amount by which the purchase price exceeds the
- 39 minimum bid on the tract or item of real property plus ten
- 40 percent (10%) per annum on the amount by which the
- 41 purchase price exceeds the minimum bid; and
- 42 (D) all taxes and special assessments on the tract or item of

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- 1 real property paid by the purchaser after the tax sale plus
 2 interest at the rate of ten percent (10%) per annum on the
 3 amount of taxes and special assessments paid by the purchaser
 4 on the redeemed property.
- 5 (5) A statement for informational purposes only, of the location
 6 of each tract or item of real property by key number, if any, and
 7 street address, if any, or a common description of the property
 8 other than a legal description. The township assessor, or the
 9 county assessor if there is no township assessor for the township,
 10 upon written request from the county auditor, shall provide the
 11 information to be in the notice required by this subsection. A
 12 misstatement in the key number or street address does not
 13 invalidate an otherwise valid sale.
- 14 (6) A statement that the county does not warrant the accuracy of
 15 the street address or common description of the property.
- 16 (7) A statement indicating:
- 17 (A) the name of the owner of each tract or item of real
 18 property with a single owner; or
- 19 (B) the name of at least one (1) of the owners of each tract or
 20 item of real property with multiple owners.
- 21 (8) A statement of the procedure to be followed for obtaining or
 22 objecting to a judgment and order of sale, that must include the
 23 following:
- 24 (A) A statement:
- 25 (i) that the county auditor and county treasurer will apply on
 26 or after a date designated in the notice for a court judgment
 27 against the tracts or real property for an amount that is not
 28 less than the amount set under subdivision (3), and for an
 29 order to sell the tracts or real property at public auction to
 30 the highest bidder, subject to the right of redemption; and
- 31 (ii) indicating the date when the period of redemption
 32 specified in IC 6-1.1-25-4 will expire.
- 33 (B) A statement that any defense to the application for
 34 judgment must be:
- 35 (i) filed with the court; and
- 36 (ii) served on the county auditor and the county treasurer;
 37 before the date designated as the earliest date on which the
 38 application for judgment may be filed.
- 39 (C) A statement that the county auditor and the county
 40 treasurer are entitled to receive all pleadings, motions,
 41 petitions, and other filings related to the defense to the
 42 application for judgment.

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- 1 (D) A statement that the court will set a date for a hearing at
 2 least seven (7) days before the advertised date and that the
 3 court will determine any defenses to the application for
 4 judgment at the hearing.
- 5 (9) A statement that the sale will be conducted at a place
 6 designated in the notice and that the sale will continue until all
 7 tracts and real property have been offered for sale.
- 8 (10) A statement that the sale will take place at the times and
 9 dates designated in the notice. Whenever the public auction is to
 10 be conducted as an electronic sale, the notice must include a
 11 statement indicating that the public auction will be conducted as
 12 an electronic sale and a description of the procedures that must be
 13 followed to participate in the electronic sale.
- 14 (11) A statement that a person redeeming each tract or item after
 15 the sale must pay the costs described in IC 6-1.1-25-2(e).
- 16 (12) If a county auditor and county treasurer have entered into an
 17 agreement under IC 6-1.1-25-4.7, a statement that the county
 18 auditor will perform the duties of the notification and title search
 19 under IC 6-1.1-25-4.5 and the notification and petition to the
 20 court for the tax deed under IC 6-1.1-25-4.6.
- 21 (13) A statement that, if the tract or item of real property is sold
 22 for an amount more than the minimum bid and the property is not
 23 redeemed, the owner of record of the tract or item of real property
 24 who is divested of ownership at the time the tax deed is issued
 25 may have a right to the tax sale surplus.
- 26 (14) If a determination has been made under subsection (d), a
 27 statement that tracts or items will be sold together.
- 28 (15) With respect to a tract or an item of real property that is
 29 subject to sale under this chapter after June 30, 2012, and before
 30 July 1, 2013, a statement declaring whether an ordinance adopted
 31 under IC 6-1.1-37-10.1 is in effect in the county and, if
 32 applicable, an explanation of the circumstances in which penalties
 33 on the delinquent taxes and special assessments will be waived.
- 34 (b) If within sixty (60) days before the date of the tax sale the county
 35 incurs costs set under subsection (a)(3)(D) and those costs are not paid,
 36 the county auditor shall enter the amount of costs that remain unpaid
 37 upon the tax duplicate of the property for which the costs were set. The
 38 county treasurer shall mail notice of unpaid costs entered upon a tax
 39 duplicate under this subsection to the owner of the property identified
 40 in the tax duplicate.
- 41 (c) The amount of unpaid costs entered upon a tax duplicate under
 42 subsection (b) must be paid no later than the date upon which the next

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1 installment of real estate taxes for the property is due. Unpaid costs
 2 entered upon a tax duplicate under subsection (b) are a lien against the
 3 property described in the tax duplicate, and amounts remaining unpaid
 4 on the date the next installment of real estate taxes is due may be
 5 collected in the same manner that delinquent property taxes are
 6 collected.

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

12 SECTION 2. IC 6-1.1-25-2, AS AMENDED BY P.L.56-2012,
 13 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2013]: Sec. 2. (a) The total amount of money required for the
 15 redemption of real property equals:

- 16 (1) the sum of the amounts prescribed in subsections (b) through
 17 (f); or
 18 (2) the amount prescribed in subsection (g);

19 reduced by any amounts held in the name of the taxpayer or the
 20 purchaser in the tax sale surplus fund.

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

- 23 (1) ~~one hundred ten percent (110%) of the minimum bid for~~
 24 ~~which the tract or real property was offered at the time of sale; as~~
 25 ~~required by IC 6-1.1-24-5; if the~~ **for a** tract or item of real
 26 property is redeemed not more than six (6) months after the date
 27 of sale:

28 **(A) one hundred ten percent (110%) of the amount of the**
 29 **minimum bid for which the tract or item of real property**
 30 **was offered at the time of sale, if the date of sale occurred**
 31 **before July 1, 2013; or**

32 **(B) one hundred five percent (105%) of the amount of the**
 33 **minimum bid for which the tract or item of real property**
 34 **was offered at the time of sale, if the date of sale occurred**
 35 **after June 30, 2013; or**

- 36 (2) ~~one hundred fifteen percent (115%) of the minimum bid for~~
 37 ~~which the tract or real property was offered at the time of sale; as~~
 38 ~~required by IC 6-1.1-24-5; if the~~ **for a** tract or item of real
 39 property is redeemed more than six (6) months but not more than
 40 one (1) year after the date of sale:

41 **(A) one hundred fifteen percent (115%) of the amount of**
 42 **the minimum bid for which the tract or item of real**

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1 **property was offered at the time of sale, if the date of sale**
 2 **occurred before July 1, 2013; or**
 3 **(B) one hundred ten percent (110%) of the amount of the**
 4 **minimum bid for which the tract or item of real property**
 5 **was offered at the time of sale, if the date of sale occurred**
 6 **after June 30, 2013.**

7 (c) Except as provided in subsection (g), in addition to the amount
 8 required under subsection (b), the total amount required for redemption
 9 includes the amount by which the purchase price exceeds the minimum
 10 bid on the real property plus ten percent (10%) per annum on the
 11 amount by which the purchase price exceeds the minimum bid on the
 12 property.

13 (d) Except as provided in subsection (g), in addition to the amount
 14 required under subsections (b) and (c), the total amount required for
 15 redemption includes all taxes and special assessments upon the
 16 property paid by the purchaser after the sale plus ten percent (10%)
 17 interest per annum on those taxes and special assessments.

18 (e) Except as provided in subsection (g), in addition to the amounts
 19 required under subsections (b), (c), and (d), the total amount required
 20 for redemption includes the following costs, if certified before
 21 redemption and not earlier than thirty (30) days after the date of sale of
 22 the property being redeemed by the payor to the county auditor on a
 23 form prescribed by the state board of accounts, that were incurred and
 24 paid by the purchaser, the purchaser's assignee, or the county, before
 25 redemption:

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

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

30 (f) The total amount required for redemption includes, in addition
 31 to the amounts required under subsections (b) and (e), all taxes, special
 32 assessments, interest, penalties, and fees on the property that accrued
 33 after the sale.

34 (g) With respect to a tract or item of real property redeemed under
 35 section 4(c) of this chapter, instead of the amounts stated in subsections
 36 (b) through (f), the total amount required for redemption is the amount
 37 determined under IC 6-1.1-24-6.1(b)(4).

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