

IC 36-7-17

Chapter 17. Urban Homesteading

IC 36-7-17-1

Application of chapter

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

As added by Acts 1981, P.L.309, SEC.36.

IC 36-7-17-2

Designation of agency to administer program

Sec. 2. The fiscal body of a unit may by ordinance designate an agency or quasi-public corporation, or establish a new agency, to administer an urban homesteading program under which family dwellings for one (1) through four (4) families may be conveyed to individuals or families, who must occupy and rehabilitate the dwellings, and community organizations that must rehabilitate the dwellings and offer them for sale.

As added by Acts 1981, P.L.309, SEC.36. Amended by P.L.177-2003, SEC.11.

IC 36-7-17-3

Acquisition of property

Sec. 3. (a) The agency designated or established in section 2 of this chapter may acquire real property in the name of the unit, for use as provided in this chapter.

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

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

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

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

As added by Acts 1981, P.L.309, SEC.36. Amended by P.L.87-1987, SEC.11; P.L.1-1994, SEC.178; P.L.31-1994, SEC.22; P.L.2-1995, SEC.135; P.L.169-2006, SEC.76.

IC 36-7-17-4

Notice to residents of unit

Sec. 4. The agency shall, after the acquisition of real property for use as provided in this chapter, take the steps necessary to fully inform the residents of each unit in which the dwellings are located of:

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

As added by Acts 1981, P.L.309, SEC.36.

IC 36-7-17-5

Applications; eligibility; drawings to determine receipt of dwellings

Sec. 5. (a) A person or community organization may apply for the program by completing a bid application.

(b) The following applicants are qualified and shall be approved to receive real property offered under this chapter:

- (1) A person who:
 - (A) is at least eighteen (18) years of age;
 - (B) possesses the financial resources to support a loan, the necessary skills to rehabilitate the property, or a combination of both; and
 - (C) has, including immediate family, not previously participated in the program.

(2) A community organization as described in IC 36-7-9-2.

(c) Approved applicants are entitled to receive a list of all properties owned by the unit that are available under this chapter.

(d) Approved applicants may apply for each dwelling in which they are interested. A drawing shall be held to determine those applicants receiving the dwellings. Persons applying under this chapter shall receive priority over community organizations if both indicate an interest in the same dwelling. Each approved person and his or her immediate family may receive only one (1) dwelling in the drawing. Each approved community organization may receive as many dwellings as the agency considers proper.

As added by Acts 1981, P.L.309, SEC.36. Amended by P.L.177-2003, SEC.12.

IC 36-7-17-6

Conveyances; duties of recipients

Sec. 6. The conveyance of a dwelling to an applicant under this chapter shall be made in return for a fee of one dollar (\$1) or more and the execution by the applicant of an agreement with the following minimum conditions:

- (1) The applicant must:
 - (A) if a person, reside in the dwelling as the person's principal place of residence for a period of not less than three (3) years; or
 - (B) if a community organization, agree to list the dwelling for sale within twelve (12) months after possession.
- (2) The applicant must bring the residence up to a minimum code standard, including building, plumbing, electrical, and fire code standards, within twelve (12) months after possession, or before possession if required under subdivision (4).

(3) The applicant must carry fire and liability insurance on the dwelling at all times.

(4) The applicant must comply with any additional terms, conditions, and requirements that the agency may impose to assure that the purposes of this chapter are carried out. This may include the requirement that the dwelling be rehabilitated to minimum building code standards before possession.

As added by Acts 1981, P.L.309, SEC.36. Amended by P.L.177-2003, SEC.13.

IC 36-7-17-7

Conveyances; methods authorized

Sec. 7. (a) The agency shall convey the real property acquired for the purposes of this chapter to those persons or community organizations qualified under section 6 of this chapter by using the methods prescribed by subsection (b), (c), or (d).

(b) The real property may be conveyed by a conditional sales contract, with title to remain in the agency for a period of at least one (1) year.

(c) The title to real property may be conveyed to a person purchasing the property as a determinable fee, with the language of the granting clause in the deed of conveyance to include the language "The property is conveyed on the conditions that the purchaser:

- (1) will reside in the dwelling as his principal place of residence for a period of not less than three (3) years;
- (2) will bring the residence up to minimum code standards in twelve (12) months;
- (3) will carry adequate fire and liability insurance on the dwelling at all times; and
- (4) will comply with such additional terms, conditions, and requirements as the agency requires before _____ (date of the deed) under IC 36-7-17".

(d) The title to real property may be conveyed to a community organization purchasing the property as a determinable fee, with the language of the granting clause in the deed of conveyance to include the language: "The property is conveyed on the conditions that the purchaser:

- (1) will list the property for sale within twelve (12) months of taking possession;
- (2) will bring the residence up to minimum code standards within twelve (12) months;
- (3) will carry adequate fire and liability insurance on the dwelling at all times; and
- (4) will comply with any additional terms, conditions, and requirements as the agency requires before _____ (date of the deed) under IC 36-7-17".

As added by Acts 1981, P.L.309, SEC.36. Amended by P.L.19-1986, SEC.61; P.L.177-2003, SEC.14.

IC 36-7-17-8

Conveyances; effect of purchaser's failure to fulfill agreement; subordination of agency's interest to financial institutions or persons lending money

Sec. 8. Before the vesting of a fee simple title in the purchaser, any material failure by the purchaser to carry out the agreement entered into under section 6 of this chapter nullifies the agreement and all right, title, and interest in the property immediately reverts to the agency, except that the agency may grant the purchaser a specified period, not to exceed two (2) years, to come into compliance with the terms of the agreement. The agency may subordinate its interest under the terms of the agreement to financial institutions or persons lending money to the purchaser for the purpose of allowing the purchaser to fulfill the terms of the conveyance.

As added by Acts 1981, P.L.309, SEC.36.

IC 36-7-17-9

Conveyances; fee simple title

Sec. 9. (a) When, after purchase, a person has resided in the dwelling for the required three (3) year period, brought the property into compliance with the required code standards, and otherwise complied with the terms of the person's agreement, the agency shall convey to the person a fee simple title to the property.

(b) When, after purchase, a community organization has brought the property into compliance with the required code standards, documented its intent to list the property for sale, and otherwise complied with the terms of its agreement, the agency shall convey to it a fee simple title to the property.

As added by Acts 1981, P.L.309, SEC.36. Amended by P.L.177-2003, SEC.15.

IC 36-7-17-10

Rules and regulations

Sec. 10. The director of the agency shall prescribe the rules and regulations necessary to carry out this chapter, including rules and regulations establishing standards and methods for inspection of buildings, bidding for properties by applicants, and measurement of rehabilitation progress.

As added by Acts 1981, P.L.309, SEC.36.

IC 36-7-17-11

Retention of deed by unit; property deemed municipal property; tax exemption

Sec. 11. Property acquired or held under this chapter with retention of the deed by the unit is considered property of the unit held for municipal purposes and is exempt from property taxation. This property tax exemption becomes effective on the date of conveyance to the unit. A petition to cancel taxes or a certified application for exemption is not required for property acquired or held under this chapter.

As added by Acts 1981, P.L.309, SEC.36.

IC 36-7-17-12

Property not applied for in successive drawings; sale; disposition of proceeds

Sec. 12. (a) A property for which no one applies in two (2) successive drawings held under this chapter may be sold at public auction to the highest bidder.

(b) The proceeds of the sale of real property acquired under IC 6-1.1-25-7.5 shall be applied to the cost of the sale, including advertising and appraisal.

(c) If any proceeds remain after payment of the costs under subsection (b), the proceeds shall be applied to the payment of taxes removed from the tax duplicate under IC 6-1.1-25-7.5(e).

(d) If any proceeds remain after payment of the taxes under subsection (c), the proceeds shall be deposited in the county general fund.

As added by Acts 1981, P.L.309, SEC.36. Amended by P.L.87-1987, SEC.12; P.L.169-2006, SEC.77.