

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Auditors, County Treasurers, County Assessors
FROM: Brian Bailey, Interim Commissioner **BEB**
RE: County Sale of Vacant Parcels to Owner of Contiguous Parcel
DATE: April 8, 2010

House Enrolled Act 1324-2010 added new section, IC 6-1.1-24-6.8, which permits a county to sell certain vacant parcels to contiguous parcel owners as part of the tax sale process.

I. Eligible Parcels

In order to be eligible for sale under IC 6-1.1-24-6.8, a vacant parcel must:

1. have a county lien that resulted from a prior tax sale;
2. be unimproved on the date the parcel is offered for sale;
3. be legally eligible for construction of a residence; and
4. on the date the vacant parcel is offered for sale, be contiguous to at least one parcel that has an occupied residential structure or a structure used in conjunction with an occupied residential structure and that is eligible for the homestead standard deduction.

By ordinance, the county legislative body may establish criteria to identify vacant parcels to be offered for sale. In a county containing a consolidated city, the county legislative body may only adopt such an ordinance upon recommendation of the board of commissioners under IC 36-3-3-10.

The criteria for sale established by the ordinance may include the following:

1. limitations on the use of the parcel under local zoning and land use requirements;
2. minimum areas sufficient for construction of improvements; and
3. any other factor considered appropriate by the county legislative body.

II. Procedure

1. If the legislative body adopts an ordinance establishing criteria for the sale of vacant parcels, the county executive must, by resolution, identify each parcel the county executive wants to sell and provide the required notice to the contiguous parcel owners. In a county containing a consolidated city, "county executive" refers to the board of commissioners of the county under IC 36-3-3-10.

2. The notice given by the county executive to contiguous parcel owners must contain at least the following:
 - 1) the legal description of the vacant parcel and the parcel number or the street address, or both;
 - 2) notice that the county executive will accept applications for purchase of the vacant parcel from contiguous parcel owners;
 - 3) notice of the deadline for filing the application and the information that must be included in the application;
 - 4) notice that the vacant parcel will be sold to the successful applicant for one dollar (\$1); and
 - 5) notice of the property tax exemption provided to the successful applicant.
3. To be eligible to purchase a vacant parcel, the owner of a contiguous parcel must file a written application with the county executive.

The application must:

- 1) identify the vacant parcel the applicant wants to purchase; and
 - 2) include any other information required by the county executive.
4. The county executive must, by resolution, make a final determination concerning the vacant parcels to be sold. In the case of multiple applications for the same parcel, the county executive must conduct a drawing in which each applicant has an equal chance to be selected.
5. After making the final determination of parcels to be sold, the county executive must, on behalf of the county, cause all delinquent taxes, special assessments, penalties, interest, and costs of sale with respect to the vacant parcels to be removed from the tax duplicate.

The county executive must give notice of the final determination to:

- 1) the successful applicant;
 - 2) the county auditor; and
 - 3) the township assessor or the county assessor if there is no township assessor.
6. Upon notification from the county executive of a final determination regarding the vacant parcels, the county auditor must:
 - 1) collect the purchase price from each successful applicant; and
 - 2) prepare a deed transferring the vacant parcel to the successful applicant (the deed must reference the tax exemption entitlement).
7. The township assessor or county assessor must consolidate each vacant parcel sold with the contiguous parcel owned by the successful applicant into a single parcel.

III. Tax Exemption

Each consolidated parcel is entitled to a time-limited exemption from property taxation beginning on the assessment date that next succeeds the consolidation in the amount of the assessed value of the vacant parcel at the time of consolidation.

The tax exemption terminates as of the assessment date that next succeeds the earlier of the following:

- 1) five (5) years after the transfer of title to the successful applicant; or
- 2) the first transfer of title to the consolidated parcel that occurs after the consolidation.

If you have questions or concerns, please contact Staff Attorney Cathy Wolter at 317-233-4361 or cwolter@dlgf.in.gov.