

# HOUSE BILL No. 1271

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Tax sale deeds. Provides that a tax sale purchaser may file a petition with the court not later than 30 days after the date of the sale to seek a determination that the real property is vacant or abandoned. Specifies that the effect of a court's determination that the real property is vacant or abandoned is that: (1) the owner has no right to redeem the real property; and (2) the county auditor shall issue a deed to the real property that conveys a fee simple interest to the purchaser. Sets forth the: (1) contents of notices required to be given before the court hearing on vacancy or abandonment; and (2) standards to be used in determining vacancy or abandonment. Provides that the procedure to seek a post-sale petition to determine vacancy or abandonment does not apply to vacant or abandoned real property that is on the list prepared by the county auditor under current law.

**Effective:** July 1, 2024.

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## Hatcher

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January 9, 2024, read first time and referred to Committee on Ways and Means.

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Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

# HOUSE BILL No. 1271



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.236-2023,
- 2 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2024]: Sec. 2. (a) This section does not apply to vacant or
- 4 abandoned real property that is on the list prepared by the county
- 5 auditor under section 1.5 of this chapter.
- 6 (b) In addition to the delinquency list required under section 1 of
- 7 this chapter, each county auditor shall prepare a notice. The notice shall
- 8 contain the following:
- 9 (1) A list of tracts or real property eligible for sale under this
- 10 chapter.
- 11 (2) A statement that the tracts or real property included in the list
- 12 will be sold at public auction to the highest bidder, subject to the
- 13 right of redemption.
- 14 (3) A statement that the tracts or real property will not be sold for
- 15 an amount which is less than the sum of:
- 16 (A) the delinquent taxes and special assessments on each tract
- 17 or item of real property;



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



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



1 the sale must pay the costs described in IC 6-1.1-25-2(e).

2 (12) If a county auditor and county treasurer have entered into an  
3 agreement under IC 6-1.1-25-4.7, a statement that the county  
4 auditor will perform the duties of the notification and title search  
5 under IC 6-1.1-25-4.5 and the notification and petition to the  
6 court for the tax deed under IC 6-1.1-25-4.6.

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

12 (14) If a determination has been made under subsection (e), a  
13 statement that tracts or items will be sold together.

14 (15) A statement that if a tract or item of real property has been  
15 offered for sale at a county treasurer's tax sale in accordance with  
16 section 5 of this chapter and a county executive's tax sale in  
17 accordance with section 6.1 of this chapter on two (2) or more  
18 occasions without a bid, the tract or item of real property may be  
19 subject to an ordinance adopted under IC 6-1.1-25-4.9.

20 (16) With respect to a tract or an item of real property that is  
21 subject to sale under this chapter after October 31, 2023, and  
22 before November 1, 2024, a statement declaring whether an  
23 ordinance adopted under IC 6-1.1-37-16 is in effect in the county  
24 and, if applicable, an explanation of the circumstances in which  
25 interest and penalties on the delinquent taxes and special  
26 assessments will be waived.

27 **(17) A statement indicating that the owner will have no right**  
28 **to redeem the real property if the real property is determined**  
29 **to be vacant or abandoned under section 7.1 of this chapter.**

30 (c) If within sixty (60) days before the date of the tax sale the county  
31 incurs costs set under subsection (b)(3)(D) and those costs are not paid,  
32 the county auditor shall enter the amount of costs that remain unpaid  
33 upon the tax duplicate of the property for which the costs were set. The  
34 county treasurer shall mail notice of unpaid costs entered upon a tax  
35 duplicate under this subsection to the owner of the property identified  
36 in the tax duplicate.

37 (d) The amount of unpaid costs entered upon a tax duplicate under  
38 subsection (c) must be paid no later than the date upon which the next  
39 installment of real estate taxes for the property is due. Unpaid costs  
40 entered upon a tax duplicate under subsection (c) are a lien against the  
41 property described in the tax duplicate, and amounts remaining unpaid  
42 on the date the next installment of real estate taxes is due may be



1 collected in the same manner that delinquent property taxes are  
2 collected.

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

8 SECTION 2. IC 6-1.1-24-7.1 IS ADDED TO THE INDIANA  
9 CODE AS A NEW SECTION TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2024]: **Sec. 7.1. (a) This section does not  
11 apply to vacant or abandoned real property that is on the list  
12 prepared by the county auditor under section 1.5 of this chapter.**

13 **(b) This section applies to real property listed in the notice  
14 required by section 2 of this chapter.**

15 **(c) Following a sale conducted under section 5 or 6.1 of this  
16 chapter at which a tax sale purchaser pays the bid and receives a  
17 certificate of sale, the tax sale purchaser may file a petition with  
18 the court not later than thirty (30) days after the date of the sale to  
19 seek a determination under this section that the real property is  
20 vacant or abandoned.**

21 **(d) The tax sale purchaser shall provide notice of the hearing on  
22 the petition seeking a determination of vacancy or abandonment in  
23 the manner provided by this section. The notice must contain at  
24 least the following:**

25 **(1) A statement that a property was purchased at a tax sale  
26 and the tax sale purchaser is seeking a post-sale determination  
27 that the property is vacant or abandoned.**

28 **(2) A statement that includes evidence that one (1) or more of  
29 the conditions set forth in IC 32-30-10.6-5(a), which constitute  
30 prima facie evidence, apply to the real property.**

31 **(3) A description of the real property purchased.**

32 **(4) A statement that if the real property is determined to be  
33 vacant or abandoned:**

34 **(A) the owner will have no right to redeem the real  
35 property; and**

36 **(B) a deed will be issued to the purchaser that provides the  
37 purchaser with a fee simple interest in the real property.**

38 **(5) The street address, if any, or a common description of the  
39 real property.**

40 **(6) The key number or parcel number of the real property.**

41 **(e) The notice required by this section is considered sufficient if  
42 the notice is mailed by certified mail, return receipt requested, to:**



1           **(1) all owners of record of real property at the last address of**  
 2           **the owner for the property, as indicated in the records of the**  
 3           **county auditor; and**

4           **(2) any person with a substantial property interest of public**  
 5           **record at the address for the person included in the public**  
 6           **record that indicates the interest;**

7           **as of the date that the tax sale list is certified.**

8           **(f) At the hearing, the court shall hear evidence and testimony**  
 9           **from the parties as to whether the real property is vacant or**  
 10           **abandoned. In making its determination, the court shall consider**  
 11           **the following:**

12           **(1) Evidence that one (1) or more of the conditions set forth in**  
 13           **IC 32-30-10.6-5(a) apply to the real property.**

14           **(2) Any other factors that the court, in the court's discretion,**  
 15           **considers pertinent to the determination of vacancy or**  
 16           **abandonment under this section.**

17           **(g) If a court makes a determination that the real property is**  
 18           **vacant or abandoned, the court shall issue an order stating that the**  
 19           **owner has no right to redeem the real property and directing the**  
 20           **county auditor to issue a deed to the real property that conveys a**  
 21           **fee simple interest to the purchaser.**

22           **(h) A deed issued under this section to the purchaser conveys the**  
 23           **same fee simple interest in the real property as a deed issued under**  
 24           **IC 6-1.1-25.**

25           SECTION 3. IC 6-1.1-25-0.5, AS ADDED BY P.L.247-2015,  
 26           SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27           JULY 1, 2024]: Sec. 0.5. This chapter does not apply to vacant or  
 28           abandoned real property that is on the list prepared by the county  
 29           auditor under IC 6-1.1-24-1.5 unless the bid on the real property by the  
 30           highest bidder is not at least the minimum bid and the county auditor  
 31           executes and delivers a deed for the real property to the executive of a  
 32           county, city, or town under IC 6-1.1-24-13(c). There is no right to  
 33           redeem real property under this chapter after its sale under IC 6-1.1-24,  
 34           if the real property is on the vacant and abandoned property list  
 35           prepared by the county auditor under IC 6-1.1-24-1.5 **or if the real**  
 36           **property is the subject of a court order issued under**  
 37           **IC 6-1.1-24-7.1.**

38           SECTION 4. IC 6-1.1-25-4, AS AMENDED BY P.L.26-2023,  
 39           SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40           JULY 1, 2024]: Sec. 4. (a) There is no right to redeem real property  
 41           under this chapter after its sale under IC 6-1.1-24 if the real property is  
 42           on the vacant and abandoned property list prepared by the county



1 auditor under IC 6-1.1-24-1.5 **or if the real property is the subject of**  
 2 **a court order issued under IC 6-1.1-24-7.1.** The period for  
 3 redemption of any other real property sold under IC 6-1.1-24 is:

- 4 (1) one (1) year after the date of sale; or  
 5 (2) one hundred twenty (120) days after the date of sale to a  
 6 purchasing agency qualified under IC 36-7-17 or IC 36-7-17.1.

7 (b) Subject to subsection (k) and IC 6-1.1-24-9(e), the period for  
 8 redemption of real property:

- 9 (1) on which the county executive acquires a lien under  
 10 IC 6-1.1-24-6; and  
 11 (2) for which the certificate of sale is not sold under  
 12 IC 6-1.1-24-6.1;

13 is one hundred twenty (120) days after the date the county executive  
 14 acquires the lien under IC 6-1.1-24-6.

15 (c) The period for redemption of real property:

- 16 (1) on which the county executive acquires a lien under  
 17 IC 6-1.1-24-6; and  
 18 (2) for which the certificate of sale is sold under IC 6-1.1-24;

19 is one hundred twenty (120) days after the date of sale of the certificate  
 20 of sale under IC 6-1.1-24.

21 (d) When a deed for real property is executed under this chapter, the  
 22 county auditor shall cancel the certificate of sale and file the canceled  
 23 certificate in the office of the county auditor.

24 (e) When a deed is issued to a county executive or other political  
 25 subdivision under this chapter, the taxes and special assessments for  
 26 which the real property was offered for sale and all subsequent taxes,  
 27 special assessments, interest, penalties, and cost of sale shall be  
 28 removed from the tax duplicate in the same manner that taxes are  
 29 removed by certificate of error.

30 (f) A tax deed executed under this chapter vests in the grantee an  
 31 estate in fee simple absolute, free and clear of all liens and  
 32 encumbrances created or suffered before or after the tax sale except  
 33 those liens granted priority under federal law and the lien of the state  
 34 or a political subdivision for taxes and special assessments which  
 35 accrue subsequent to the sale and which are not removed under  
 36 subsection (e). However, subject to subsection (g), the estate is subject  
 37 to:

- 38 (1) all easements, covenants, declarations, and other deed  
 39 restrictions shown by public records;  
 40 (2) laws, ordinances, and regulations concerning governmental  
 41 police powers, including zoning, building, land use,  
 42 improvements on the land, land division, and environmental





- 1 protection;
- 2 (3) liens and encumbrances created or suffered by the grantee;
- 3 and
- 4 (4) leases shown by public record if the tax deed executed under
- 5 this chapter conveys only a severed interest located in, on, under,
- 6 or above the land.
- 7 The rights that an owner of land has in, on, under, or above the land, in
- 8 a lease described in subdivision (4), or in a memorandum of a lease
- 9 described in subdivision (4) are not limited or abrogated by a tax deed
- 10 conveying an interest in one (1) or more severed interests described in
- 11 subdivision (4).
- 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) When a deed is issued to a purchaser of a certificate of sale sold
- 35 under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that
- 36 taxes are removed by certificate of error, remove from the tax duplicate
- 37 the taxes, special assessments, interest, penalties, and costs remaining
- 38 due as the difference between:
- 39 (1) the amount of:
- 40 (A) the last minimum bid under IC 6-1.1-24-5; plus
- 41 (B) any penalty associated with a delinquency that was not due
- 42 until after the date of the sale under IC 6-1.1-24-5 but is due



- 1 before the issuance of the certificate of sale, with respect to  
2 taxes included in the minimum bid that were not due at the  
3 time of the sale under IC 6-1.1-24-5; and  
4 (2) the amount paid for the certificate of sale.
- 5 (k) If a tract or item of real property did not sell at a tax sale or a  
6 sale conducted under IC 6-1.1-24-6.1 and the county treasurer and the  
7 owner of real property agree before the expiration of the period for  
8 redemption under subsection (b) to a mutually satisfactory arrangement  
9 for the payment of the entire amount required for redemption under  
10 section 2 of this chapter before the expiration of a period for  
11 redemption extended under this subsection:
- 12 (1) the county treasurer may extend the period for redemption;  
13 and  
14 (2) except as provided in subsection (l), the extended period for  
15 redemption expires one (1) year after the date of the agreement.
- 16 (l) If the owner of real property fails to meet the terms of an  
17 agreement entered into with the county treasurer under subsection (k),  
18 the county treasurer may terminate the agreement after providing thirty  
19 (30) days written notice to the owner. If the county treasurer gives  
20 notice under this subsection, the extended period for redemption  
21 established under subsection (k) expires thirty (30) days after the date  
22 of the notice.
- 23 (m) The period of redemption for a property, which was not offered  
24 for sale under IC 6-1.1-24-4.7(j), is one hundred twenty (120) days  
25 after the conclusion of the tax sale at which the property was not  
26 offered.
- 27 (n) A county auditor shall not issue or record a tax deed unless the  
28 following requirements are met not later than one hundred fifty (150)  
29 days after the date of the hearing at which a court grants the tax sale  
30 buyer's petition for the tax deed:
- 31 (1) Copies of the court order to issue the tax deed and the sales  
32 disclosure form are filed with the county auditor.  
33 (2) The recording fees for the tax deed are paid.  
34 (3) All subsequent or outstanding real property taxes on the  
35 property are paid.

