



March 24, 2017

---

---

# ENGROSSED HOUSE BILL No. 1536

---

DIGEST OF HB 1536 (Updated March 22, 2017 2:27 pm - DI 84)

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

**Synopsis:** Tax sales. Specifies deadlines related to acquiring a tax deed for real property if a county assigns a certificate of sale for the real property to a political subdivision. Eliminates a conflict with an administrative order of the Indiana supreme court concerning cause numbers.

**Effective:** July 1, 2017.

---

---

**Engleman, Miller D, Mahan,  
GiaQuinta**

(SENATE SPONSOR — GROOMS)

---

---

January 18, 2017, read first time and referred to Committee on Local Government.  
February 9, 2017, reported — Do Pass.  
February 16, 2017, read second time, amended, ordered engrossed.  
February 17, 2017, engrossed.  
February 20, 2017, read third time, passed. Yeas 96, nays 0.

SENATE ACTION

February 23, 2017, read first time and referred to Committee on Local Government.  
March 23, 2017, reported favorably — Do Pass.

---

---

EH 1536—LS 7351/DI 113





March 24, 2017

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1536

---

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 6-1.1-24-9, AS AMENDED BY P.L.251-2015,  
2 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2017]: Sec. 9. (a) Immediately after a tax sale purchaser pays  
4 the bid, as evidenced by the receipt of the county treasurer, or  
5 immediately after the county acquires a lien under section 6 of this  
6 chapter, the county auditor shall deliver a certificate of sale to the  
7 purchaser or to the county or to the city. The certificate shall be signed  
8 by the auditor and registered in the auditor's office. The certificate shall  
9 contain:  
10 (1) a description of real property that corresponds to the  
11 description used on the notice of sale;  
12 (2) the name of:  
13 (A) the owner of record at the time of the sale of real property  
14 with a single owner; or  
15 (B) at least one (1) of the owners of real property with multiple  
16 owners;  
17 (3) the mailing address of the owner of the real property sold as

**EH 1536—LS 7351/DI 113**



- 1 indicated in the records of the county auditor;  
 2 (4) the name of the purchaser;  
 3 (5) the date of sale;  
 4 (6) the amount for which the real property was sold;  
 5 (7) the amount of the minimum bid for which the tract or real  
 6 property was offered at the time of sale as required by section 5  
 7 of this chapter;  
 8 (8) the date when the period of redemption specified in  
 9 IC 6-1.1-25-4 will expire;  
 10 (9) the court cause number under which judgment was obtained;  
 11 and  
 12 (10) the street address, if any, or common description of the real  
 13 property.

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

18 (c) A certificate of sale is assignable. However, an assignment is not  
 19 valid unless it is acknowledged before an officer authorized to take  
 20 acknowledgments of deeds, and registered in the office of the county  
 21 auditor. When a certificate of sale is assigned, the assignee acquires the  
 22 same rights and obligations that the original purchaser acquired.

23 (d) Subject to IC 36-1-11-8, the county executive may assign a  
 24 certificate of sale held in the name of the county executive to any  
 25 political subdivision. If an assignment is made under this subsection:

26 (1) the period of redemption of the real property under  
 27 IC 6-1.1-25 is one hundred twenty (120) days after the date of the  
 28 assignment; **and**

29 (2) **notwithstanding IC 6-1.1-25-4.5(a) through**  
 30 **IC 6-1.1-25-4.5(c), the assignee must transmit the notices**  
 31 **required under IC 6-1.1-25-4.5 not later than ninety (90) days**  
 32 **after the date of the assignment.**

33 **If the real property is not redeemed during the period of**  
 34 **redemption, the assignee may petition the court for a tax deed**  
 35 **under IC 6-1.1-25-4.6 not later than ninety (90) days after the**  
 36 **expiration of the period of redemption.**

37 SECTION 2. IC 6-1.1-25-4.6, AS AMENDED BY P.L.183-2016,  
 38 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2017]: Sec. 4.6. (a) After the expiration of the redemption  
 40 period specified in section 4 of this chapter but not later than three (3)  
 41 months after the expiration of the period of redemption:

42 (1) the purchaser, the purchaser's assignee, the county executive,



1 the county executive's assignee, or the purchaser of the certificate  
2 of sale under IC 6-1.1-24-6.1 may; or

3 (2) in a county where the county auditor and county treasurer  
4 have an agreement under section 4.7 of this chapter, the county  
5 auditor shall, upon the request of the purchaser or the purchaser's  
6 assignee;

7 file a verified petition in accordance with subsection (b) in the same  
8 court ~~and under the same cause number~~ in which the judgment of sale  
9 was entered asking the court to direct the county auditor to issue a tax  
10 deed if the real property is not redeemed from the sale. Notice of the  
11 filing of this petition shall be given to the same parties as provided in  
12 section 4.5 of this chapter, except that, if notice is given by publication,  
13 only one (1) publication is required. The notice required by this section  
14 is considered sufficient if the notice is sent to the address required by  
15 section 4.5(d) of this chapter. Any person owning or having an interest  
16 in the tract or item of real property may file a written objection to the  
17 petition with the court not later than thirty (30) days after the date the  
18 petition was filed. If a written objection is timely filed, the court shall  
19 conduct a hearing on the objection. If there is not a written objection  
20 that is timely filed, the court may consider the petition without  
21 conducting a hearing.

22 (b) Unless the county auditor and the county treasurer have entered  
23 into an agreement under section 4.7 of this chapter, a verified petition  
24 filed under subsection (a) may include the following:

- 25 (1) Copies of all notices sent under section 4.5 of this chapter.
- 26 (2) Copies of all notices sent under this section.
- 27 (3) Copies of all certified mail mailing receipts, return receipts,  
28 and returned mailing envelopes for notices sent under section 4.5  
29 of this chapter.
- 30 (4) Copies of all certified mail mailing receipts, return receipts,  
31 and returned mailing envelopes for notices sent under this section.
- 32 (5) Copies or descriptions of the evidence used by the petitioner  
33 or the petitioner's assignor to identify the owner and other persons  
34 with a substantial property interest of public record in the real  
35 property.

36 (c) If the purchaser or the purchaser's assignee includes the  
37 documents described in subsection (b), the issuance of a tax deed  
38 constitutes prima facie evidence of the sale referenced in subsection  
39 (k).

40 (d) If a verified petition is brought by the county auditor under an  
41 agreement provided for under section 4.7 of this chapter, a tax deed  
42 constitutes prima facie evidence of the validity of the sale referenced



1 in subsection (k) upon timely production by the county of all  
 2 documents described in subsection (b) in response to a challenge to a  
 3 tax deed.

4 (e) If the issuance of a tax deed does not constitute prima facie  
 5 evidence of the validity of the sale due to the failure to comply with  
 6 this section, the purchaser or the purchaser's successor has the burden  
 7 of proving the validity of the sale by a preponderance of the evidence  
 8 in any subsequent challenge to the sale.

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

14 (1) The time of redemption has expired.

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

18 (3) Except with respect to a petition for the issuance of a tax deed  
 19 under a sale of the certificate of sale on the property under  
 20 IC 6-1.1-24-6.1 or IC 6-1.1-24-6.8, or with respect to penalties  
 21 described in section 4(j) of this chapter, all taxes and special  
 22 assessments, penalties, and costs have been paid.

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

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

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

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

38 (h) Except as provided in subsections (i) and (j), if:

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

41 (2) the court refuses to enter an order directing the county auditor  
 42 to execute and deliver the tax deed because of the failure of the



- 1 petitioner under subsection (a) to fulfill the notice requirement of  
 2 subsection (a);  
 3 the court shall order the return of the amount, if any, by which the  
 4 purchase price exceeds the minimum bid on the property under  
 5 IC 6-1.1-24-5 minus a penalty of twenty-five percent (25%) of that  
 6 excess. The petitioner is prohibited from participating in any manner  
 7 in the next succeeding tax sale in the county under IC 6-1.1-24. The  
 8 county auditor shall deposit penalties paid under this subsection in the  
 9 county general fund.
- 10 (i) Notwithstanding subsection (h), in all cases in which:
- 11 (1) the verified petition referred to in subsection (a) is timely  
 12 filed;
- 13 (2) the petitioner under subsection (a) has made a bona fide  
 14 attempt to comply with the statutory requirements under  
 15 subsection (f) for the issuance of the tax deed but has failed to  
 16 comply with these requirements;
- 17 (3) the court refuses to enter an order directing the county auditor  
 18 to execute and deliver the tax deed because of the failure to  
 19 comply with these requirements; and
- 20 (4) the purchaser, the purchaser's successors or assignees, or the  
 21 purchaser of the certificate of sale under IC 6-1.1-24 files a claim  
 22 with the county auditor for refund not later than thirty (30) days  
 23 after the entry of the order of the court refusing to direct the  
 24 county auditor to execute and deliver the tax deed;
- 25 the county auditor shall not execute the deed but shall refund the  
 26 purchase money minus a penalty of twenty-five percent (25%) of the  
 27 purchase money from the county treasury to the purchaser, the  
 28 purchaser's successors or assignees, or the purchaser of the certificate  
 29 of sale under IC 6-1.1-24. The county auditor shall deposit penalties  
 30 paid under this subsection in the county general fund. All the  
 31 delinquent taxes and special assessments shall then be reinstated and  
 32 recharged to the tax duplicate and collected in the same manner as if  
 33 the property had not been offered for sale. The tract or item of real  
 34 property, if it is then eligible for sale under IC 6-1.1-24, shall be placed  
 35 on the delinquent list as an initial offering under IC 6-1.1-24.
- 36 (j) Notwithstanding subsections (h) and (i), the court shall not order  
 37 the return of the purchase price or any part of the purchase price if:
- 38 (1) the purchaser or the purchaser of the certificate of sale under  
 39 IC 6-1.1-24 has failed to provide notice or has provided  
 40 insufficient notice as required by section 4.5 of this chapter; and  
 41 (2) the sale is otherwise valid.
- 42 (k) A tax deed executed under this section vests in the grantee an



1 estate in fee simple absolute, free and clear of all liens and  
2 encumbrances created or suffered before or after the tax sale except  
3 those liens granted priority under federal law, and the lien of the state  
4 or a political subdivision for taxes and special assessments that accrue  
5 subsequent to the sale. However, the estate is subject to all easements,  
6 covenants, declarations, and other deed restrictions and laws governing  
7 land use, including all zoning restrictions and liens and encumbrances  
8 created or suffered by the purchaser at the tax sale. Except as provided  
9 in subsections (b), (c), (d), and (e), the deed is prima facie evidence of:  
10 (1) the regularity of the sale of the real property described in the  
11 deed;  
12 (2) the regularity of all proper proceedings; and  
13 (3) valid title in fee simple in the grantee of the deed.  
14 (l) A tax deed issued under this section is incontestable except by  
15 appeal from the order of the court directing the county auditor to issue  
16 the tax deed filed not later than sixty (60) days after the date of the  
17 court's order.





COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1536, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1536 as introduced.)

ZENT

Committee Vote: Yeas 9, Nays 0

---

HOUSE MOTION

Mr. Speaker: I move that House Bill 1536 be amended to read as follows:

Page 6, delete lines 18 through 42.

Delete page 7.

(Reference is to HB 1536 as printed February 10, 2017.)

ENGLEMAN

---

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1536, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB1536 as reprinted February 17, 2017.)

BUCK, Chairperson

Committee Vote: Yeas 7, Nays 0

