

HOUSE BILL No. 1074

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Tax sale redemptions. Provides that if real property sold at a tax sale is redeemed, the interest rate on the following components of the redemption amount is increased from 5% per annum to the statutory rate per annum for judgments on money (8% per annum under current law): (1) The amount by which the sales price exceeds the minimum bid. (2) The amount of the taxes and special assessments paid by the purchaser.

Effective: July 1, 2019.

Engleman

January 3, 2019, read first time and referred to Committee on Ways and Means.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1074

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.251-2015,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: 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 **at a rate per annum**
 28 **equal to the rate per annum on judgments for money**
 29 **specified under IC 24-4.6-1-101(2) that is in effect on**
 30 **January 1 of the year in which the tract or item is sold;** and
 31 (D) all taxes and special assessments on the tract or item of
 32 real property paid by the purchaser after the tax sale plus
 33 interest ~~at the rate of five percent (5%) per annum;~~ on the
 34 amount of taxes and special assessments paid by the purchaser
 35 on the redeemed property **at a rate per annum equal to the**
 36 **rate per annum on judgments for money specified under**
 37 **IC 24-4.6-1-101(2) that is in effect on January 1 of the year**
 38 **in which the tract or item is sold.**
- 39 (5) A statement for informational purposes only, of the location
 40 of each tract or item of real property by key number, if any, and
 41 street address, if any, or a common description of the property
 42 other than a legal description. The township assessor, or the



1 county assessor if there is no township assessor for the township,
2 upon written request from the county auditor, shall provide the
3 information to be in the notice required by this subsection. A
4 misstatement in the key number or street address does not
5 invalidate an otherwise valid sale.

6 (6) A statement that the county does not warrant the accuracy of
7 the street address or common description of the property.

8 (7) A statement indicating:

9 (A) the name of the owner of each tract or item of real
10 property with a single owner; or

11 (B) the name of at least one (1) of the owners of each tract or
12 item of real property with multiple owners.

13 (8) A statement of the procedure to be followed for obtaining or
14 objecting to a judgment and order of sale, that must include the
15 following:

16 (A) A statement:

- 17 (i) that the county auditor and county treasurer will apply on
18 or after a date designated in the notice for a court judgment
19 against the tracts or real property for an amount that is not
20 less than the amount set under subdivision (3), and for an
21 order to sell the tracts or real property at public auction to
22 the highest bidder, subject to the right of redemption; and
23 (ii) indicating the date when the period of redemption
24 specified in IC 6-1.1-25-4 will expire.

25 (B) A statement that any defense to the application for
26 judgment must be:

27 (i) filed with the court; and

28 (ii) served on the county auditor and the county treasurer;
29 before the date designated as the earliest date on which the
30 application for judgment may be filed.

31 (C) A statement that the county auditor and the county
32 treasurer are entitled to receive all pleadings, motions,
33 petitions, and other filings related to the defense to the
34 application for judgment.

35 (D) A statement that the court will set a date for a hearing at
36 least seven (7) days before the advertised date and that the
37 court will determine any defenses to the application for
38 judgment at the hearing.

39 (9) A statement that the sale will be conducted at a place
40 designated in the notice and that the sale will continue until all
41 tracts and real property have been offered for sale.

42 (10) A statement that the sale will take place at the times and



1 dates designated in the notice. Whenever the public auction is to
 2 be conducted as an electronic sale, the notice must include a
 3 statement indicating that the public auction will be conducted as
 4 an electronic sale and a description of the procedures that must be
 5 followed to participate in the electronic sale.

6 (11) A statement that a person redeeming each tract or item after
 7 the sale must pay the costs described in IC 6-1.1-25-2(e).

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

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

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

20 (c) If within sixty (60) days before the date of the tax sale the county
 21 incurs costs set under subsection (b)(3)(D) and those costs are not paid,
 22 the county auditor shall enter the amount of costs that remain unpaid
 23 upon the tax duplicate of the property for which the costs were set. The
 24 county treasurer shall mail notice of unpaid costs entered upon a tax
 25 duplicate under this subsection to the owner of the property identified
 26 in the tax duplicate.

27 (d) The amount of unpaid costs entered upon a tax duplicate under
 28 subsection (c) must be paid no later than the date upon which the next
 29 installment of real estate taxes for the property is due. Unpaid costs
 30 entered upon a tax duplicate under subsection (c) are a lien against the
 31 property described in the tax duplicate, and amounts remaining unpaid
 32 on the date the next installment of real estate taxes is due may be
 33 collected in the same manner that delinquent property taxes are
 34 collected.

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

40 SECTION 2. IC 6-1.1-25-2, AS AMENDED BY P.L.187-2018,
 41 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2019]: Sec. 2. (a) The total amount of money required for the



- 1 redemption of real property equals the following amount, as applicable:
 2 (1) If a tract or item of real property is redeemed under section
 3 4(c) of this chapter, the amount prescribed in subsection (g).
 4 (2) If subdivision (1) does not apply, the sum of the amounts
 5 prescribed in subsections (b) through (f).
 6 (b) Except as provided in subsection (g), the total amount required
 7 for redemption includes:
 8 (1) one hundred ten percent (110%) of the minimum bid for
 9 which the tract or real property was offered at the time of sale, as
 10 required by IC 6-1.1-24-5, if the tract or item of real property is
 11 redeemed not more than six (6) months after the date of sale; or
 12 (2) one hundred fifteen percent (115%) of the minimum bid for
 13 which the tract or real property was offered at the time of sale, as
 14 required by IC 6-1.1-24-5, if: the tract or item of real property is
 15 redeemed more than six (6) months but not more than one (1)
 16 year after the date of sale.
 17 (c) Except as provided in subsection (g), in addition to the amount
 18 required under subsection (b), the total amount required for redemption
 19 includes:
 20 **(1) an amount equal to:**
 21 **(A) the rate per annum on judgments for money specified**
 22 **under IC 24-4.6-1-101(2) that is in effect on January 1 of**
 23 **the year in which the property is sold; multiplied by**
 24 **(B) the amount by which the purchase price exceeds the**
 25 **minimum bid on the property;**
 26 **if the date of sale occurs after June 30, 2019; or**
 27 **(2) five percent (5%) per annum on the amount by which the**
 28 **purchase price exceeds the minimum bid on the property, if the**
 29 **date of sale occurs after ~~June 30, 2014~~; before July 1, 2019.**
 30 (d) Except as provided in subsection (g), in addition to the amount
 31 required under subsections (b) and (c), the total amount required for
 32 redemption includes all taxes and special assessments upon the
 33 property paid by the purchaser after the sale plus:
 34 **(1) an amount equal to:**
 35 **(A) the rate per annum on judgments for money specified**
 36 **under IC 24-4.6-1-101(2) that is in effect on January 1 of**
 37 **the year in which the property is sold; multiplied by**
 38 **(B) the amount of those taxes and special assessments;**
 39 **if the date of sale occurs after June 30, 2019; or**
 40 **(+) (2) five percent (5%) per annum on those taxes and special**
 41 **assessments, if the date of sale occurs after ~~June 30, 2014~~; or**
 42 **before July 1, 2019.**



- 1 (2) ten percent (10%) interest per annum on those taxes and
2 special assessments, if the date of sale occurs before July 1, 2014.
3 (e) Except as provided in subsection (g), in addition to the amounts
4 required under subsections (b), (c), and (d), the total amount required
5 for redemption includes the following costs, if certified before
6 redemption and not earlier than thirty (30) days after the date of sale of
7 the property being redeemed by the payor to the county auditor on a
8 form prescribed by the state board of accounts, that were incurred and
9 paid by the purchaser, the purchaser's assignee, or the county, before
10 redemption:
11 (1) The attorney's fees and costs of giving notice under section 4.5
12 of this chapter.
13 (2) The costs of a title search or of examining and updating the
14 abstract of title for the tract or item of real property.
15 (f) The total amount required for redemption includes, in addition
16 to the amounts required under subsections (b) and (e), all taxes, special
17 assessments, interest, penalties, and fees on the property that accrued
18 and are delinquent after the sale.
19 (g) With respect to a tract or item of real property redeemed under
20 section 4(c) of this chapter, instead of the amounts stated in subsections
21 (b) through (f), the total amount required for redemption is the amount
22 determined under IC 6-1.1-24-6.1(b)(4).

