

# HOUSE BILL No. 1125

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-24-5.3.

**Synopsis:** Property tax purchasers. Provides that persons who have certain unsafe buildings or delinquent property taxes anywhere in Indiana may not purchase property at a tax sale. (Current law disqualifies persons who have certain unsafe buildings or delinquent property taxes in a particular county from purchasing property at a tax sale conducted by the county.)

**Effective:** July 1, 2014.

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## Forestal

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January 9, 2014, read first time and referred to Committee on Ways and Means.

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Second Regular Session 118th General Assembly (2014)

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1125

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 6-1.1-24-5.3, AS AMENDED BY P.L.88-2009,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 5.3. (a) This section applies to the following:  
4 (1) A person who:  
5 (A) owns a fee interest, a life estate interest, or the equitable  
6 interest of a contract purchaser in an unsafe building or unsafe  
7 premises ~~in the county in which a sale is held under this~~  
8 ~~chapter; located in Indiana;~~ and  
9 (B) is subject to an order issued under IC 36-7-9-5(a)(2),  
10 IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5)  
11 regarding which the conditions set forth in IC 36-7-9-10(a)(1)  
12 through IC 36-7-9-10(a)(4) exist.  
13 (2) A person who:  
14 (A) owns a fee interest, a life estate interest, or the equitable  
15 interest of a contract purchaser in an unsafe building or unsafe  
16 premises ~~in the county in which a sale is held under this~~



- 1 ~~chapter; located in Indiana;~~ and  
 2 (B) is subject to an order issued under IC 36-7-9-5(a), other  
 3 than an order issued under IC 36-7-9-5(a)(2),  
 4 IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5),  
 5 regarding which the conditions set forth in IC 36-7-9-10(b)(1)  
 6 through IC 36-7-9-10(b)(4) exist.
- 7 (3) A person who is the defendant in a court action brought under  
 8 IC 36-7-9-18, IC 36-7-9-19, IC 36-7-9-20, IC 36-7-9-21, or  
 9 IC 36-7-9-22 ~~in the county in which a sale is held under this~~  
 10 ~~chapter~~ that has resulted in a judgment in favor of the plaintiff and  
 11 the unsafe condition that caused the action to be brought has not  
 12 been corrected.
- 13 (4) A person who has any of the following relationships to a  
 14 person, partnership, corporation, or legal entity described in  
 15 subdivisions (1), (2), or (3):
- 16 (A) A partner of a partnership.
  - 17 (B) An officer or majority stockholder of a corporation.
  - 18 (C) The person who directs the activities or has a majority  
 19 ownership in a legal entity other than a partnership or  
 20 corporation.
- 21 (5) A person who ~~in the county in which a sale is held under this~~  
 22 ~~chapter~~, owes:
- 23 (A) delinquent taxes;
  - 24 (B) special assessments;
  - 25 (C) penalties;
  - 26 (D) interest; or
  - 27 (E) costs directly attributable to a prior tax sale;
- 28 on a tract or an item of real property **that is located in Indiana**  
 29 **and is listed under section 1 of this chapter by the county in**  
 30 **which the real property is located.**
- 31 (6) A person who owns a fee interest, a life estate interest, or the  
 32 equitable interest of a contract purchaser in a vacant or abandoned  
 33 structure subject to an enforcement order under IC 32-30-6,  
 34 IC 32-30-7, IC 32-30-8, or IC 36-7-9.
- 35 (7) A person who is an agent of the person described in this  
 36 subsection.
- 37 (b) A person subject to this section may not purchase a tract offered  
 38 for sale under section 5 or 6.1 of this chapter. However, this section  
 39 does not prohibit a person from bidding on a tract that is owned by the  
 40 person and offered for sale under section 5 of this chapter.
- 41 (c) The county treasurer shall require each person who will be  
 42 bidding at the tax sale to sign a statement in a form substantially



- 1 similar to the following:  
 2 "Indiana law prohibits a person who owes delinquent taxes,  
 3 special assessments, penalties, interest, or costs directly  
 4 attributable to a prior tax sale, from purchasing tracts or items of  
 5 real property at a tax sale. I hereby affirm under the penalties for  
 6 perjury that I do not owe delinquent taxes, special assessments,  
 7 penalties, interest, costs directly attributable to a prior tax sale,  
 8 amounts from a final adjudication in favor of a political  
 9 subdivision in **this any Indiana** county, any civil penalties  
 10 imposed for the violation of a building code or ordinance of **this**  
 11 **any Indiana** county, or any civil penalties imposed by a health  
 12 department in **this any Indiana** county. Further, I hereby  
 13 acknowledge that any successful bid I make in violation of this  
 14 statement is subject to forfeiture. In the event of forfeiture, the  
 15 amount of my bid shall be applied to the delinquent taxes, special  
 16 assessments, penalties, interest, costs, judgments, or civil  
 17 penalties I owe, and a certificate will be issued to the county  
 18 executive."
- 19 (d) If a person purchases a tract that the person was not eligible to  
 20 purchase under this section, the sale of the property is subject to  
 21 forfeiture. If the county treasurer determines or is notified not more  
 22 than six (6) months after the date of the sale that the sale of the  
 23 property should be forfeited, the county treasurer shall:
- 24 (1) notify the person in writing that the sale is subject to forfeiture
  - 25 if the person does not pay the amounts that the person owes
  - 26 within thirty (30) days of the notice;
  - 27 (2) if the person does not pay the amounts that the person owes
  - 28 within thirty (30) days after the notice, apply the surplus amount
  - 29 of the person's bid to the person's delinquent taxes, special
  - 30 assessments, penalties, and interest;
  - 31 (3) remit the amounts owed from a final adjudication or civil
  - 32 penalties in favor of a political subdivision to the appropriate
  - 33 political subdivision; and
  - 34 (4) notify the county auditor that the sale has been forfeited.
- 35 Upon being notified that a sale has been forfeited, the county auditor  
 36 shall issue a certificate to the county executive under section 6 of this  
 37 chapter.
- 38 (e) A county treasurer may decline to forfeit a sale under this section  
 39 because of inadvertence or mistake, lack of actual knowledge by the  
 40 bidder, substantial harm to other parties with interests in the tract or  
 41 item of real property, or other substantial reasons. If the treasurer  
 42 declines to forfeit a sale, the treasurer shall:



- 1           (1) prepare a written statement explaining the reasons for
- 2           declining to forfeit the sale; and
- 3           (2) retain the written statement as an official record.
- 4           (f) If a sale is forfeited under this section and the tract or item of real
- 5           property is redeemed from the sale, the county auditor shall deposit the
- 6           amount of the redemption into the county general fund and notify the
- 7           county executive of the redemption. Upon being notified of the
- 8           redemption, the county executive shall surrender the certificate to the
- 9           county auditor.

