

SENATE BILL No. 18

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-24.

Synopsis: Tax sale procedures. Provides that a person who acquires a certificate of sale (certificate) may not assign the certificate to a person who was not eligible under the tax sale laws to bid on or purchase real property at a tax sale. Requires a person to acknowledge that the person will not assign a certificate for any real property purchased to a person who is prohibited from bidding on or purchasing real property at a tax sale.

Effective: July 1, 2023.

Randolph Lonnie M

January 9, 2023, read first time and referred to Committee on Local Government.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

SENATE BILL No. 18



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 6-1.1-24-5.7, AS ADDED BY P.L.66-2021,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 5.7. (a) The county treasurer shall require each
4 person who will be bidding at the tax sale to sign a statement in a form
5 substantially similar to the following:
6 "Indiana law prohibits a person who owes delinquent taxes,
7 special assessments, penalties, interest, or costs directly
8 attributable to a prior tax sale of a tract or item of real property
9 listed under IC 6-1.1-24-1 from bidding on or purchasing tracts or
10 items of real property at a tax sale. I hereby affirm under the
11 penalties for perjury that I do not owe delinquent taxes, special
12 assessments, penalties, interest, costs directly attributable to a
13 prior tax sale, amounts from a final adjudication in favor of a
14 political subdivision, any civil penalties imposed for the violation
15 of a building code or county ordinance, or any civil penalties
16 imposed by a county health department. I also affirm that I am not
17 purchasing tracts or items of real property on behalf of or as an



1 agent for a person who is prohibited from purchasing at a tax sale.
 2 Further, I hereby acknowledge that any successful bid I make in
 3 violation of this statement is subject to forfeiture. **I further**
 4 **acknowledge that I will not assign a certificate of sale for any**
 5 **tract or item of real property purchased to a person who is**
 6 **prohibited from bidding on or purchasing real property at a**
 7 **tax sale.** In the event of forfeiture, the amount by which my bid
 8 exceeds the minimum bid on the tract or item or real property
 9 under IC 6-1.1-24-5(e), if any, shall be applied to the delinquent
 10 taxes, special assessments, penalties, interest, costs, judgments,
 11 or civil penalties I owe, and a certificate will be issued to the
 12 county executive. I further acknowledge that a person who
 13 knowingly or intentionally provides false information on this
 14 affidavit commits perjury, a Level 6 felony."

15 (b) If a person purchases real property that the person was not
 16 eligible to purchase under section 5.1, 5.3, or 5.4 of this chapter, the
 17 sale of the real property is subject to forfeiture. If the county treasurer
 18 determines or is notified not more than forty-five (45) days after the
 19 date of the sale that the sale of the real property should be forfeited, the
 20 county treasurer shall:

- 21 (1) not more than five (5) days after the county treasurer is
 22 notified, notify the person in writing by first class mail that the
 23 sale is subject to forfeiture if the person does not pay the amounts
 24 the person owes within fifteen (15) days of the date the written
 25 notice is mailed;
 26 (2) if the person does not meet the conditions described in
 27 subdivision (1) within fifteen (15) days after the written notice is
 28 mailed, apply the surplus amount of the person's bid, if any, to the
 29 delinquent taxes, special assessments, penalties, and interest on
 30 the real property;
 31 (3) remit the amounts owed from a final adjudication or civil
 32 penalties in favor of a political subdivision to the political
 33 subdivision;
 34 (4) notify the county auditor that the sale has been forfeited; and
 35 (5) file with the county recorder a certification identifying the
 36 forfeited sale that includes:
 37 (A) the date of the sale;
 38 (B) the name of the buyer;
 39 (C) the property identification number of the real property;
 40 (D) the real property's legal description; and
 41 (E) a statement that the sale has been forfeited and is null and
 42 void because the buyer was not eligible to purchase the real



1 property.
2 Upon being notified that a sale has been forfeited, the county auditor
3 shall issue a certificate to the county executive under section 6 of this
4 chapter.

5 (c) A county treasurer may decline to forfeit a sale under this section
6 because of inadvertence or mistake, lack of actual knowledge by the
7 bidder, substantial harm to other parties with interests in the real
8 property, or other substantial reasons. If the treasurer declines to forfeit
9 a sale, the treasurer shall:

- 10 (1) prepare a written statement explaining the reasons for
11 declining to forfeit the sale;
12 (2) retain the written statement as an official record; and
13 (3) file with the county recorder a certification that includes:
14 (A) the date of the sale;
15 (B) the name of the buyer;
16 (C) the property identification number of the real property;
17 (D) the real property's legal description; and
18 (E) a statement that the sale has not been forfeited and is valid.

19 (d) If a sale is forfeited under this section and the tract or item of
20 real property is redeemed from the sale, the county auditor shall deposit
21 the amount of the redemption into the county general fund and notify
22 the county executive of the redemption. Upon being notified of the
23 redemption, the county executive shall surrender the certificate to the
24 county auditor.

25 (e) If a county treasurer does not take action under subsection (b)
26 within forty-five (45) days of the date the county treasurer determines
27 or is notified that a sale should be forfeited, the person is deemed to be
28 an eligible purchaser for that sale of that real property.

29 (f) If a tax deed is issued for real property under IC 6-1.1-25-4, this
30 section cannot be invoked to invalidate, rescind, or set aside the tax
31 deed.

32 SECTION 2. IC 6-1.1-24-9, AS AMENDED BY P.L.66-2021,
33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2023]: Sec. 9. (a) Immediately after a tax sale purchaser pays
35 the bid, as evidenced by the receipt of the county treasurer, or
36 immediately after the county acquires a lien under section 6 of this
37 chapter, the county auditor shall deliver a certificate of sale to the
38 purchaser or to the county or to the city. The certificate shall be signed
39 by the auditor and registered in the auditor's office. The certificate shall
40 contain:

- 41 (1) a description of real property that corresponds to the
42 description used on the notice of sale;



- 1 (2) the name of:
 2 (A) the owner of record at the time of the sale of real property
 3 with a single owner; or
 4 (B) at least one (1) of the owners of real property with multiple
 5 owners;
 6 (3) the mailing address of the owner of the real property sold as
 7 indicated in the records of the county auditor;
 8 (4) the name of the purchaser;
 9 (5) the date of sale;
 10 (6) the amount for which the real property was sold;
 11 (7) the amount of the minimum bid for which the tract or real
 12 property was offered at the time of sale as required by section 5
 13 of this chapter;
 14 (8) the date when the period of redemption specified in
 15 IC 6-1.1-25-4 will expire;
 16 (9) the court cause number under which judgment was obtained;
 17 and
 18 (10) the street address, if any, or common description of the real
 19 property.
 20 (b) When a certificate of sale is issued under this section, the
 21 purchaser acquires a lien against the real property for the entire amount
 22 paid. The lien of the purchaser is superior to all liens against the real
 23 property which exist at the time the certificate is issued.
 24 (c) A certificate of sale is assignable. **However, a person who**
 25 **acquires a certificate of sale may not assign the certificate of sale**
 26 **to a person who was not eligible under section 5.1, 5.3, or 5.4 of this**
 27 **chapter to bid on or purchase real property at a tax sale held under**
 28 **section 5 or 6.1 of this chapter. In addition to the prohibition on the**
 29 **assignment of a tax sale certificate to a person described in section**
 30 **5.1, 5.3, or 5.4 of this chapter,** a county legislative body may adopt an
 31 ordinance **further** prohibiting the assignment of a certificate of sale
 32 acquired at a treasurer's sale (pursuant to section 5 of this chapter) or
 33 at a county executive's tax sale (pursuant to section 6.1 of this chapter)
 34 prior to the issuance of a tax deed for the real property by the county
 35 auditor. An assignment not prohibited by an ordinance adopted under
 36 this subsection is not valid unless it is acknowledged before an officer
 37 authorized to take acknowledgments of deeds, and registered in the
 38 office of the county auditor. When a certificate of sale is assigned, the
 39 assignee acquires the same rights and obligations that the original
 40 purchaser acquired.
 41 (d) Subject to IC 36-1-11-8, the county executive may assign a
 42 certificate of sale held in the name of the county executive to any



1 political subdivision. If an assignment is made under this subsection:
2 (1) the period of redemption of the real property under
3 IC 6-1.1-25 is one hundred twenty (120) days after the date of the
4 assignment; and
5 (2) notwithstanding IC 6-1.1-25-4.5(a) through
6 IC 6-1.1-25-4.5(c), the assignee must transmit the notices
7 required under IC 6-1.1-25-4.5 not later than ninety (90) days
8 after the date of the assignment.
9 If the real property is not redeemed during the period of redemption,
10 the assignee may petition the court for a tax deed under IC 6-1.1-25-4.6
11 not later than ninety (90) days after the expiration of the period of
12 redemption.

