

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 ENROLLED ACT No. 296

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AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 6-1.1-23.9-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 2.5. "Severed interest" means:**

- (1) an improvement;**
  - (2) mineral rights;**
  - (3) air rights;**
  - (4) water rights; or**
  - (5) other rights in property in, on, under, or above the land;**
- for which the owner or holder of the interest identified in the current real property tax records of the county auditor is sent a separate property tax statement.**

SECTION 2. IC 6-1.1-25-4, AS AMENDED BY P.L.66-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4. (a) There is no right to redeem real property under this chapter after its sale under IC 6-1.1-24 if the real property is on the vacant and abandoned property list prepared by the county auditor under IC 6-1.1-24-1.5. The period for redemption of any other real property sold under IC 6-1.1-24 is:

- (1) one (1) year after the date of sale; or
  - (2) one hundred twenty (120) days after the date of sale to a purchasing agency qualified under IC 36-7-17 or IC 36-7-17.1.
- (b) Subject to subsection (k) and IC 6-1.1-24-9(d), the period for

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redemption of real property:

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

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

(c) The period for redemption of real property:

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

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

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

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

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

- (1) all easements, covenants, declarations, and other deed restrictions shown by public records;
- (2) laws, ordinances, and regulations concerning governmental police powers, including zoning, building, land use, improvements on the land, land division, and environmental protection; ~~and~~
- (3) liens and encumbrances created or suffered by the grantee; **and**
- (4) **leases shown by public record if the tax deed executed under this chapter conveys only a severed interest located in, on, under, or above the land.**

**The rights that an owner of land has in, on, under, or above the**



**land, in a lease described in subdivision (4), or in a memorandum of a lease described in subdivision (4) are not limited or abrogated by a tax deed conveying an interest in one (1) or more severed interests described in subdivision (4).**

(g) A tax deed executed under this chapter for real property sold in a tax sale:

- (1) does not operate to extinguish an easement recorded before the date of the tax sale in the office of the recorder of the county in which the real property is located, regardless of whether the easement was taxed under this article separately from the real property; and
- (2) conveys title subject to all easements recorded before the date of the tax sale in the office of the recorder of the county in which the real property is located.

(h) A tax deed executed under this chapter is prima facie evidence of:

- (1) the regularity of the sale of the real property described in the deed;
- (2) the regularity of all proper proceedings; and
- (3) valid title in fee simple in the grantee of the deed.

(i) A county auditor is not required to execute a deed to the county executive under this chapter if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. The county executive may enter the property to conduct environmental investigations.

(j) When a deed is issued to a purchaser of a certificate of sale sold under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that taxes are removed by certificate of error, remove from the tax duplicate the taxes, special assessments, interest, penalties, and costs remaining due as the difference between:

- (1) the amount of:
  - (A) the last minimum bid under IC 6-1.1-24-5; plus
  - (B) any penalty associated with a delinquency that was not due until after the date of the sale under IC 6-1.1-24-5 but is due before the issuance of the certificate of sale, with respect to taxes included in the minimum bid that were not due at the time of the sale under IC 6-1.1-24-5; and
- (2) the amount paid for the certificate of sale.

(k) If a tract or item of real property did not sell at a tax sale or a sale conducted under IC 6-1.1-24-6.1 and the county treasurer and the owner of real property agree before the expiration of the period for

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redemption under subsection (b) to a mutually satisfactory arrangement for the payment of the entire amount required for redemption under section 2 of this chapter before the expiration of a period for redemption extended under this subsection:

(1) the county treasurer may extend the period for redemption; and

(2) except as provided in subsection (1), the extended period for redemption expires one (1) year after the date of the agreement.

(l) If the owner of real property fails to meet the terms of an agreement entered into with the county treasurer under subsection (k), the county treasurer may terminate the agreement after providing thirty (30) days written notice to the owner. If the county treasurer gives notice under this subsection, the extended period for redemption established under subsection (k) expires thirty (30) days after the date of the notice.

(m) The period of redemption for a property, which was not offered for sale under IC 6-1.1-24-4.7(j), is one hundred twenty (120) days after the conclusion of the tax sale at which the property was not offered.

(n) A county auditor shall not issue or record a tax deed unless the following requirements are met not later than one hundred fifty (150) days after the date of the hearing at which a court grants the tax sale buyer's petition for the tax deed:

(1) Copies of the court order to issue the tax deed and the sales disclosure form are filed with the county auditor.

(2) The recording fees for the tax deed are paid.

(3) All subsequent or outstanding real property taxes on the property are paid.



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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