



April 10, 2015

ENGROSSED SENATE BILL No. 524

DIGEST OF SB 524 (Updated April 7, 2015 2:56 pm - DI 123)

Citations Affected: IC 6-1.1; IC 32-21.

Synopsis: Tax deeds and conveyance documents. Provides that when a county auditor sends out certain notices for a tax sale by certified mail, the notices must be sent by certified mail, return receipt requested. Requires that a verified petition for a tax deed to real property acquired in a tax sale must include copies of various notices sent by the petitioner, copies of certified mail mailing receipts, copies of certified mail return receipts, returned mailing envelopes, and evidence used by the petitioner to ascertain the owner of property and any other persons with a substantial property interest of public record in the property. Provides that a tax deed is not prima facie evidence of the validity of a tax sale, if the petitioner for the tax deed fails to include with the petition the copies of notices, copies of mailing receipts, return receipts, returned mailing envelopes, and copies or descriptions of the evidence used to ascertain the owner and other persons having a substantial property interest of public record in the property. Provides that an instrument that does not comply with certain filing requirements is validly recorded, regardless of when it is
(Continued next page)

Effective: Upon passage; July 1, 2015; January 1, 2016.

Zakas, Head, Randolph, Taylor

(HOUSE SPONSOR — STEUERWALD)

January 14, 2015, read first time and referred to Committee on Civil Law.
February 3, 2015, amended, reported favorably — Do Pass.
February 9, 2015, read second time, amended, ordered engrossed.
February 10, 2015, engrossed. Read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

March 5, 2015, read first time and referred to Committee on Judiciary.
April 9, 2015, amended, reported — Do Pass.

ES 524—LS 7366/DI 123



Digest Continued

recorded. Provides that if a county executive reasonably believes that: (1) 10 or more tracts or items of real property on the tax sale list are owned by one person or some combination of persons in an affiliated group of persons; and (2) each of the 10 or more tracts or items of real property were acquired by the owners in a previous tax sale; the county executive may petition a court for a finding that serial tax delinquencies exist with respect to the tracts or items of real property. Provides that if the tracts or items of real property are all located in a city or town, the county executive may authorize the city or town to file the petition for a finding that serial tax delinquencies exist with respect to the subject properties. Provides that if a petitioner obtains a court order finding that serial tax delinquencies exist with respect to the subject properties: (1) the owners of the real property do not have a right of redemption with respect to the subject properties; (2) the county auditor is to remove the properties from the tax sale list; (3) not later than six months from the date of the order, the petitioner may request that the county auditor deliver a tax deed for the subject properties to the petitioner; and (4) the petitioner may dispose of the subject properties in any lawful manner.

ES 524—LS 7366/DI 123



April 10, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 524

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 6-1.1-24-1, AS AMENDED BY THE TECHNICAL
2 CORRECTIONS BILL OF THE 2015 GENERAL ASSEMBLY, IS
3 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
4 2016]: Sec. 1. (a) On or after January 1 of each calendar year in which
5 a tax sale will be held in a county and not later than fifty-one (51) days
6 after the first tax payment due date in that calendar year, the county
7 treasurer *(or county executive, in the case of property described in*
8 *subdivision (2))* shall certify to the county auditor a list of real property
9 on which any of the following exist:
10 (1) *In the case of real property other than real property described*
11 *in subdivision (2),* Any property taxes or special assessments
12 certified to the county auditor for collection by the county
13 treasurer from the prior year's spring installment or before are
14 delinquent as determined under IC 6-1.1-37-10 and the delinquent
15 property ~~tax or taxes~~, special assessments, *penalties, fees, or*
16 *interest* due exceed twenty-five dollars (\$25).

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1 (2) *In the case of real property for which a county executive has*
 2 *certified to the county auditor that the real property is:*

3 (A) *vacant; or*

4 (B) *abandoned;*

5 *any property taxes or special assessments from the prior year's*
 6 *fall installment or before that are delinquent as determined under*
 7 *IC 6-1.1-37-10. The county executive must make a certification*
 8 *under this subdivision not later than sixty-one (61) days before*
 9 *the earliest date on which application for judgment and order for*
 10 *sale may be made. The executive of a city or town may provide to*
 11 *the county executive of the county in which the city or town is*
 12 *located a list of real property that the city or town has determined*
 13 *to be vacant or abandoned. The county executive shall include*
 14 *real property included on the list provided by a city or town*
 15 *executive on the list certified by the county executive to the*
 16 *county auditor under this subsection.*

17 ~~(3)~~ (2) Any unpaid costs are due under section 2(b) of this chapter
 18 from a prior tax sale.

19 (b) The county auditor shall maintain a list of all real property
 20 eligible for sale. Except as provided in section 1.2 or another provision
 21 of this chapter, the taxpayer's property shall remain on the list. The list
 22 must:

23 (1) describe the real property by parcel number and common
 24 address, if any;

25 (2) for a tract or item of real property with a single owner,
 26 indicate the name of the owner; and

27 (3) for a tract or item with multiple owners, indicate the name of
 28 at least one (1) of the owners.

29 (c) Except as otherwise provided in this chapter, the real property
 30 so listed is eligible for sale in the manner prescribed in this chapter.

31 (d) Not later than fifteen (15) days after the date of the county
 32 treasurer's certification under subsection (a), the county auditor shall
 33 mail by certified mail, **return receipt requested**, a copy of the list
 34 described in subsection (b) to each mortgagee who requests from the
 35 county auditor by certified mail a copy of the list. Failure of the county
 36 auditor to mail the list under this subsection does not invalidate an
 37 otherwise valid sale.

38 SECTION 2. IC 6-1.1-24-4.6, AS AMENDED BY P.L.89-2007,
 39 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2016]: Sec. 4.6. (a) On the day on which the application
 41 for judgment and order for sale is made, the county treasurer shall
 42 report to the county auditor all of the tracts and real property listed in



1 the notice required by section 2 of this chapter upon which all
 2 delinquent taxes and special assessments, all penalties due on the
 3 delinquencies, any unpaid costs due from a prior tax sale, and the
 4 amount due under section 2(a)(3)(D) of this chapter have been paid up
 5 to that time. The county auditor, assisted by the county treasurer, shall
 6 compare and correct the list, removing tracts and real property for
 7 which all delinquencies have been paid, and shall make and subscribe
 8 an affidavit in substantially the following form:

9 State of Indiana)
 10) ss
 11 County of _____)
 12 I, _____, treasurer of the county of _____, and
 13 I, _____, auditor of the county of _____, do
 14 solemnly affirm that the foregoing is a true and correct list of the real
 15 property within the county of _____ upon which have remained
 16 delinquent uncollected taxes, special assessments, penalties and costs,
 17 as required by law for the time periods set forth, to the best of my
 18 knowledge and belief.

19 _____
 20 County Treasurer

21 _____
 22 County Auditor

23 Dated _____
 24 I, _____, auditor of the county of _____, do
 25 solemnly affirm that notice of the application for judgment and order
 26 for sale was mailed via certified mail, **return receipt requested**, to the
 27 owners on the foregoing list, and publication made, as required by law.

28 _____
 29 County Auditor

30 Dated _____
 31 (b) Application for judgment and order for sale shall be made as one
 32 (1) cause of action to any court of competent jurisdiction jointly by the
 33 county treasurer and county auditor. The application shall include the
 34 names of at least one (1) of the owners of each tract or item of real
 35 property, the dates of mailing of the notice required by sections 2 and
 36 2.2 of this chapter, the dates of publication required by section 3 of this
 37 chapter, and the affidavit and corrected list as provided in subsection
 38 (a).

39 (c) Any defense to the application for judgment and order of sale
 40 shall be filed with the court on or before the earliest date on which the
 41 application may be made as set forth in the notice required under
 42 section 2 of this chapter. The county auditor and the county treasurer



1 for the county where the real property is located are entitled to receive
 2 all pleadings, motions, petitions, and other filings related to a defense
 3 to the application for judgment and order of sale.

4 SECTION 3. IC 6-1.1-24.5 IS ADDED TO THE INDIANA CODE
 5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2015]:

7 **Chapter 24.5. Determination of Serial Tax Delinquencies**

8 **Sec. 1. The following definitions apply throughout this chapter:**

9 (1) "Group of affiliated persons" means a group of persons in
 10 which each person of the group has a relationship that is
 11 described in Section 267(b) of the Internal Revenue Code with
 12 at least one (1) other person of the group.

13 (2) "Person" means an individual, a corporation, a limited
 14 liability company, a partnership, or other legal entity.

15 (3) "Substantial property interest of public record" has the
 16 meaning set forth in IC 6-1.1-24-1.9.

17 **Sec. 2. (a) Each year, after the county treasurer certifies the**
 18 **tracts or items of real property on the tax sale list under**
 19 **IC 6-1.1-24-1, if the county executive reasonably believes that:**

20 (1) ten (10) or more of the tracts or items of real property that
 21 appear on the tax sale list are owned by:

22 (A) one (1) person; or

23 (B) two (2) or more persons in a group of affiliated
 24 persons, in any ownership relation between persons in the
 25 group of affiliated persons and the tracts or items of real
 26 property; and

27 (2) the tracts or items of real property identified in
 28 subdivision (1) were acquired by their respective owners in a
 29 previous tax sale under IC 6-1.1-24;

30 the county executive may petition the court for a finding that serial
 31 tax delinquencies exist with respect to the tracts or items of real
 32 property identified in subdivision (1).

33 (b) If each of the tracts or items of real property described in
 34 subsection (a)(1) and (a)(2) are located in the same city or town, the
 35 executive of the city or town may petition the court for a finding
 36 that serial tax delinquencies exist with respect to the tracts or items
 37 of real property identified in subsection (a)(1), if the county
 38 executive consents in writing to allow the city or town to file the
 39 petition.

40 **Sec. 3. A petition filed with a court under this chapter must**
 41 **include all of the following:**

42 (1) The legal description and parcel description for each of the



- 1 tracts or items of real property that are the subject of the
2 petition.
- 3 (2) A statement that the tracts or items of real property that
4 are the subject of the petition are located within the
5 petitioner's territory.
- 6 (3) For each tract or item of real property that is the subject
7 of the petition, the names of the persons who own the tract or
8 item of real property. If the petitioner is alleging that the
9 tracts or items of real property are owned by a group of
10 affiliated persons, the petitioner must also specify each
11 person's affiliation with at least one (1) other person in the
12 group of affiliated persons.
- 13 (4) A statement that each person that owns a tract or item of
14 real property that is the subject of the petition acquired the
15 tract or item of real property in one (1) or more tax sales and
16 subsequently received a tax deed for the real property.
- 17 (5) For each tract or item of real property that is the subject
18 of the petition, the amounts of the delinquent property taxes
19 and special assessments that are owed at the time the petition
20 is filed.
- 21 (6) A statement that the delinquent property taxes and special
22 assessments are payable to the county treasurer.
- 23 (7) A statement that if the delinquent property taxes and
24 special assessments on the tracts or items of real property that
25 are the subject of the petition are not paid on or before the
26 appearance date and time, the petitioner will be entitled to an
27 order directing the county auditor to issue a deed to each of
28 the tracts or items of real property to the petitioner, without
29 a right of redemption.
- 30 (8) A statement that if proof of payment of the delinquent
31 property taxes and special assessments is tendered to the
32 court on or before the appearance date and time, the court
33 will dismiss the petition.
- 34 (9) If the petitioner is a city or town, a representation that the
35 petitioner has furnished the county executive with a copy of
36 the petition and the county executive consents to the requested
37 relief.
- 38 **Sec. 4. A petition filed under this chapter must be served on:**
39 (1) each person who has a substantial property interest of
40 public record in any of the tracts or items of real property
41 that are the subject of the petition; and
42 (2) any other appropriate party;



1 in the manner prescribed by the Indiana Rules of Trial Procedure.

2 **Sec. 5.** When a court receives a petition from a county, city, or
 3 town seeking a determination of serial tax delinquency under this
 4 chapter, the court shall issue an order to each person who owns a
 5 tract or item of real property that is the subject of the petition and
 6 any other person the court considers appropriate that directs the
 7 person to appear before the court at a date and time specified in
 8 the order and to show cause as to why the tracts or items of real
 9 property that are the subject of the petition should not be found to
 10 be serially delinquent. The court's order under this section must do
 11 the following:

12 (1) Direct the parties subject to the order to appear before the
 13 court at a date and time specified by the court. The date
 14 specified under this subdivision must not be:

15 (A) earlier than fifteen (15) days; or

16 (B) later than twenty-five (25) days;

17 after the date of the court's order.

18 (2) Notify the parties subject to the order that any party
 19 ordered to appear:

20 (A) may present evidence or objections on the issue of
 21 serial delinquency to the court:

22 (i) in writing before the appearance date specified by the
 23 court under subdivision (1); or

24 (ii) in writing or by oral testimony at the date and time
 25 specified by the court under subdivision (1); and

26 (B) has the right to be represented by an attorney when
 27 appearing before the court.

28 (3) Notify the parties subject to the order that if the parties:

29 (A) fail to submit written evidence or objections to the
 30 court before the appearance date specified in subdivision

31 (1); and

32 (B) fail to appear before the court at the date and time
 33 specified by the court order under subdivision (1);

34 the party's failure to submit evidence or objections or to
 35 appear before the court will result in a finding of serial tax
 36 delinquencies with respect to the tracts or items of real
 37 property that are the subject of the petition.

38 **Sec. 6. (a)** If an order is entered under this chapter finding that
 39 serial tax delinquencies exist with respect to tracts or items of real
 40 property that are the subject of a petition under this chapter:

41 (1) the owners of the tracts or items of real property do not
 42 have a right of redemption with respect to the tracts or items



- 1 of real property; and
 2 (2) the tracts or items of real property may be disposed of by
 3 the petitioner in any lawful manner.
 4 (b) If an order is entered under this chapter finding that serial
 5 tax delinquencies exist with respect to tracts or items of real
 6 property that are the subject of a petition under this chapter:
 7 (1) the court shall send a copy of the order to the county
 8 auditor; and
 9 (2) the county auditor shall remove the tracts or items of real
 10 property from the tax sale list maintained by the county
 11 auditor under IC 6-1.1-24.
 12 Sec. 7. (a) If an order is entered under this chapter finding that
 13 serial tax delinquencies exist with respect to tracts or items of real
 14 property that are the subject of a petition under this chapter:
 15 (1) the petitioner acquires a lien against each tract or item of
 16 real property in the amount of delinquent property taxes and
 17 special assessments; and
 18 (2) the petitioner may request that the county auditor execute
 19 deeds for the tracts or items of real property and deliver the
 20 deeds to the petitioner.
 21 (b) A request under subsection (a)(2) along with a copy of the
 22 order must be delivered to the county auditor within six (6) months
 23 after the date of the court's order. The county auditor shall issue
 24 the deeds within sixty (60) days after the date the request is
 25 received by the county auditor. If the petitioner does not request
 26 the deeds within six (6) months after the date of the order, the
 27 order is void.
 28 Sec. 8. If a petitioner acquires a deed to a tract or item of real
 29 property under section 7 of this chapter and the petitioner disposes
 30 of the tract or item of real property before the third anniversary
 31 of the date on which the deed to the tract or item of real property
 32 is issued by the county auditor, the proceeds of the disposition, if
 33 any, shall be disbursed in the same manner as if the tract or item
 34 of real property had been offered and sold at a tax sale under
 35 IC 6-1.1-24.
 36 Sec. 9. Subject to section 6(a)(1) of this chapter, a deed issued
 37 under section 7 of this chapter conveys the same fee simple interest
 38 in a tract or item of real property as a deed issued under
 39 IC 6-1.1-25.
 40 SECTION 4. IC 6-1.1-25-4.5, AS AMENDED BY P.L.66-2014,
 41 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2016]: Sec. 4.5. (a) Except as provided in subsection (d),



1 a purchaser or the purchaser's assignee is entitled to a tax deed to the
2 property that was sold only if:

- 3 (1) the redemption period specified in section 4(a)(1) of this
4 chapter has expired;
5 (2) the property has not been redeemed within the period of
6 redemption specified in section 4(a) of this chapter; and
7 (3) not later than six (6) months after the date of the sale:
8 (A) the purchaser or the purchaser's assignee; or
9 (B) in a county where the county auditor and county treasurer
10 have an agreement under section 4.7 of this chapter, the
11 county auditor;

12 gives notice of the sale to the owner of record at the time of the
13 sale and any person with a substantial property interest of public
14 record in the tract or **item of** real property.

15 (b) A county executive is entitled to a tax deed to property on which
16 the county executive acquires a lien under IC 6-1.1-24-6 and for which
17 the certificate of sale is not sold under IC 6-1.1-24-6.1 only if:

- 18 (1) the redemption period specified in section 4(b) of this chapter
19 has expired;
20 (2) the property has not been redeemed within the period of
21 redemption specified in section 4(b) of this chapter; and
22 (3) not later than ninety (90) days after the date the county
23 executive acquires the lien under IC 6-1.1-24-6, the county
24 auditor gives notice of the sale to:
25 (A) the owner of record at the time the lien was acquired; and
26 (B) any person with a substantial property interest of public
27 record in the tract or **item of** real property.

28 (c) A purchaser of a certificate of sale under IC 6-1.1-24-6.1 is
29 entitled to a tax deed to the property for which the certificate was sold
30 only if:

- 31 (1) the redemption period specified in section 4(c) of this chapter
32 has expired;
33 (2) the property has not been redeemed within the period of
34 redemption specified in section 4(c) of this chapter; and
35 (3) not later than ninety (90) days after the date of sale of the
36 certificate of sale under IC 6-1.1-24, the purchaser gives notice of
37 the sale to:
38 (A) the owner of record at the time of the sale; and
39 (B) any person with a substantial property interest of public
40 record in the tract or **item of** real property.

41 (d) The person required to give the notice under subsection (a), (b),
42 or (c) shall give the notice by sending a copy of the notice by certified



- 1 mail, **return receipt requested**, to:
- 2 (1) the owner of record at the time of the:
- 3 (A) sale of the property;
- 4 (B) acquisition of the lien on the property under IC 6-1.1-24-6;
- 5 or
- 6 (C) sale of the certificate of sale on the property under
- 7 IC 6-1.1-24;
- 8 at the last address of the owner for the property, as indicated in
- 9 the records of the county auditor; and
- 10 (2) any person with a substantial property interest of public record
- 11 at the address for the person included in the public record that
- 12 indicates the interest.
- 13 However, if the address of the person with a substantial property
- 14 interest of public record is not indicated in the public record that
- 15 created the interest and cannot be located by ordinary means by the
- 16 person required to give the notice under subsection (a), (b), or (c), the
- 17 person may give notice by publication in accordance with IC 5-3-1-4
- 18 once each week for three (3) consecutive weeks.
- 19 (e) The notice that this section requires shall contain at least the
- 20 following:
- 21 (1) A statement that a petition for a tax deed will be filed on or
- 22 after a specified date.
- 23 (2) The date on or after which the petitioner intends to petition for
- 24 a tax deed to be issued.
- 25 (3) A description of the tract or **item of** real property shown on
- 26 the certificate of sale.
- 27 (4) The date the tract or **item of** real property was sold at a tax
- 28 sale.
- 29 (5) The name of the:
- 30 (A) purchaser or purchaser's assignee;
- 31 (B) county executive that acquired the lien on the property
- 32 under IC 6-1.1-24-6; or
- 33 (C) person that purchased the certificate of sale on the
- 34 property under IC 6-1.1-24.
- 35 (6) A statement that any person may redeem the tract or **item of**
- 36 real property.
- 37 (7) The components of the amount required to redeem the tract or
- 38 **item of** real property.
- 39 (8) A statement that an entity identified in subdivision (5) is
- 40 entitled to reimbursement for additional taxes or special
- 41 assessments on the tract or **item of** real property that were paid by
- 42 the entity subsequent to the tax sale, lien acquisition, or purchase



- 1 of the certificate of sale, and before redemption, plus interest.
 2 (9) A statement that the tract or **item of** real property has not been
 3 redeemed.
 4 (10) A statement that an entity identified in subdivision (5) is
 5 entitled to receive a deed for the tract or **item of** real property if
 6 it is not redeemed before the expiration of the period of
 7 redemption specified in section 4 of this chapter.
 8 (11) A statement that an entity identified in subdivision (5) is
 9 entitled to reimbursement for costs described in section 2(e) of
 10 this chapter.
 11 (12) The date of expiration of the period of redemption specified
 12 in section 4 of this chapter.
 13 (13) A statement that if the property is not redeemed, the owner
 14 of record at the time the tax deed is issued may have a right to the
 15 tax sale surplus, if any.
 16 (14) The street address, if any, or a common description of the
 17 tract or **item of** real property.
 18 (15) The key number or parcel number of the tract or **item of** real
 19 property.
 20 (f) The notice under this section must include not more than one (1)
 21 tract or item of real property listed and sold in one (1) description.
 22 However, when more than one (1) tract or item of real property is
 23 owned by one (1) person, all of the tracts or **items of** real property that
 24 are owned by that person may be included in one (1) notice.
 25 (g) A single notice under this section may be used to notify joint
 26 owners of record at the last address of the joint owners for the property
 27 sold, as indicated in the records of the county auditor.
 28 (h) The notice required by this section is considered sufficient if the
 29 notice is mailed to the address required under subsection (d).
 30 (i) The notice under this section and the notice under section 4.6 of
 31 this chapter are not required for persons in possession not shown in the
 32 public records.
 33 (j) If the purchaser fails to:
 34 (1) comply with subsection (c)(3); or
 35 (2) petition for the issuance of a tax deed within the time
 36 permitted under section 4.6(a) of this chapter;
 37 the certificate of sale reverts to the county executive and may be
 38 retained by the county executive or sold under IC 6-1.1-24-6.1.
 39 SECTION 5. IC 6-1.1-25-4.6, AS AMENDED BY P.L.66-2014,
 40 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2016]: Sec. 4.6. (a) After the expiration of the
 42 redemption period specified in section 4 of this chapter but not later



1 than three (3) months after the expiration of the period of redemption:
 2 (1) the purchaser, the purchaser's assignee, the county executive,
 3 or the purchaser of the certificate of sale under IC 6-1.1-24 may;
 4 or
 5 (2) in a county where the county auditor and county treasurer
 6 have an agreement under section 4.7 of this chapter, the county
 7 auditor shall, upon the request of the purchaser or the purchaser's
 8 assignee;
 9 file a verified petition **in accordance with subsection (b)** in the same
 10 court and under the same cause number in which the judgment of sale
 11 was entered asking the court to direct the county auditor to issue a tax
 12 deed if the real property is not redeemed from the sale. Notice of the
 13 filing of this petition shall be given to the same parties and in the same
 14 manner as provided in section 4.5 of this chapter, except that, if notice
 15 is given by publication, only one (1) publication is required. The notice
 16 required by this section is considered sufficient if the notice is sent to
 17 the address required by section 4.5(d) of this chapter. Any person
 18 owning or having an interest in the tract or **item of** real property may
 19 file a written objection to the petition with the court not later than thirty
 20 (30) days after the date the petition was filed. If a written objection is
 21 timely filed, the court shall conduct a hearing on the objection.
 22 **(b) Unless the county auditor and the county treasurer have**
 23 **entered into an agreement under section 4.7 of this chapter, a**
 24 **verified petition filed under subsection (a) must include the**
 25 **following:**
 26 **(1) Copies of all notices sent under section 4.5 of this chapter.**
 27 **(2) Copies of all notices sent under this section.**
 28 **(3) Copies of all certified mail mailing receipts, return**
 29 **receipts, and returned mailing envelopes for notices sent**
 30 **under section 4.5 of this chapter.**
 31 **(4) Copies of all certified mail mailing receipts, return**
 32 **receipts, and returned mailing envelopes for notices sent**
 33 **under this section.**
 34 **(5) Copies or descriptions of the evidence used by the**
 35 **petitioner or the petitioner's assignor to identify the owner**
 36 **and other persons with a substantial property interest of**
 37 **public record in the real property.**
 38 **(c) If the purchaser or the purchaser's assignee fails to include**
 39 **the documents described in subsection (b), the issuance of a tax**
 40 **deed does not constitute prima facie evidence of the sale referenced**
 41 **in subsection (k).**
 42 **(d) If a verified petition is brought by the county auditor under**



1 **an agreement provided for under section 4.7 of this chapter, a tax**
 2 **deed constitutes prima facie evidence of the validity of the sale**
 3 **referenced in subsection (k) upon timely production by the county**
 4 **of all documents described in subsection (b) in response to a**
 5 **challenge to a tax deed.**

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

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

16 (1) The time of redemption has expired.

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

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

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

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

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

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

40 ~~(d)~~ **(h)** Except as provided in subsections ~~(e)~~ **(i)** and ~~(f)~~ **(j)**, if:

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



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



- 1 insufficient notice as required by section 4.5 of this chapter; and
 2 (2) the sale is otherwise valid.
- 3 ~~(g)~~ **(k)** A tax deed executed under this section vests in the grantee
 4 an estate in fee simple absolute, free and clear of all liens and
 5 encumbrances created or suffered before or after the tax sale except
 6 those liens granted priority under federal law, and the lien of the state
 7 or a political subdivision for taxes and special assessments that accrue
 8 subsequent to the sale. However, the estate is subject to all easements,
 9 covenants, declarations, and other deed restrictions and laws governing
 10 land use, including all zoning restrictions and liens and encumbrances
 11 created or suffered by the purchaser at the tax sale. **Except as provided**
 12 **in subsections (b), (c), (d), and (e)**, the deed is prima facie evidence
 13 of:
- 14 (1) the regularity of the sale of the real property described in the
 15 deed;
 - 16 (2) the regularity of all proper proceedings; and
 - 17 (3) valid title in fee simple in the grantee of the deed.
- 18 ~~(h)~~ **(l)** A tax deed issued under this section is incontestable except
 19 by appeal from the order of the court directing the county auditor to
 20 issue the tax deed filed not later than sixty (60) days after the date of
 21 the court's order.
- 22 SECTION 6. IC 6-1.1-25-9, AS AMENDED BY P.L.169-2006,
 23 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2016]: Sec. 9. (a) When a county acquires title to real
 25 property under IC 6-1.1-24 and this chapter, the county executive may
 26 dispose of the real property under IC 36-1-11 or subsection (e). The
 27 proceeds of any sale under IC 36-1-11 shall be applied as follows:
- 28 (1) First, to the cost of the sale or offering for sale of the real
 29 property, including the cost of:
 - 30 (A) maintenance;
 - 31 (B) preservation;
 - 32 (C) administration of the property before the sale or offering
 33 for sale of the property;
 - 34 (D) unpaid costs of the sale or offering for sale of the property;
 - 35 (E) preparation of the property for sale;
 - 36 (F) advertising; and
 - 37 (G) appraisal.
 - 38 (2) Second, to any unrecovered cost of the sale or offering for sale
 39 of other real property in the same taxing district acquired by the
 40 county under IC 6-1.1-24 and this chapter, including the cost of:
 - 41 (A) maintenance;
 - 42 (B) preservation;



- 1 (C) administration of the property before the sale or offering
 2 for sale of the property;
 3 (D) unpaid costs of the sale or offering for sale of the property;
 4 (E) preparation of the property for sale;
 5 (F) advertising; and
 6 (G) appraisal.
- 7 (3) Third, to the payment of the taxes on the real property that
 8 were removed from the tax duplicate under section 4(c) of this
 9 chapter.
- 10 (4) Fourth, any surplus remaining into the county general fund.
- 11 (b) The county auditor shall file a report with the board of
 12 commissioners before January 31 of each year. The report must:
- 13 (1) list the real property acquired under IC 6-1.1-24 and this
 14 chapter; and
 15 (2) indicate if any person resides or conducts a business on the
 16 property.
- 17 (c) The county auditor shall mail a notice by certified mail, **return**
 18 **receipt requested**, before March 31 of each year to each person listed
 19 in subsection (b)(2). The notice must state that the county has acquired
 20 title to the tract the person occupies.
- 21 (d) If the county executive determines that any real property
 22 acquired under this section should be retained by the county, then the
 23 county executive shall not dispose of the real property. The county
 24 executive may repair, maintain, equip, alter, and construct buildings
 25 upon the real property so retained in the same manner prescribed for
 26 other county buildings.
- 27 (e) The county executive may transfer title to real property
 28 described in subsection (a) to the redevelopment commission at no cost
 29 to the commission for sale, grant, or other disposition under
 30 IC 36-7-14-22.2, IC 36-7-14-22.5, IC 36-7-15.1-15.1,
 31 IC 36-7-15.1-15.2, or IC 36-7-15.1-15.5.
- 32 (f) If the real property is located in a geographic area that is not
 33 served by a redevelopment commission and the county executive
 34 determines that any real property acquired under this section should be
 35 held for later sale or transfer by the county executive, the county
 36 executive shall wait until an appropriate time to dispose of the real
 37 property. The county executive may do the following:
- 38 (1) Examine, classify, manage, protect, insure, and maintain the
 39 property being held.
 40 (2) Eliminate deficiencies (including environmental deficiencies),
 41 carry out repairs, remove structures, make improvements, and
 42 control the use of the property.



1 (3) Lease the property while it is being held.
2 The county executive may enter into contracts to carry out part or all of
3 the functions described in subdivisions (1) through (3).
4 SECTION 7. IC 32-21-4-1, AS AMENDED BY P.L.94-2014,
5 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 UPON PASSAGE]: Sec. 1. (a) The following must be recorded in the
7 recorder's office of the county where the land is situated:
8 (1) A conveyance or mortgage of land or of any interest in land.
9 (2) A lease for more than three (3) years.
10 (b) A conveyance, mortgage, **memorandum of lease**, or lease takes
11 priority according to the time of its filing. The conveyance, mortgage,
12 **memorandum of lease**, or lease is fraudulent and void as against any
13 subsequent purchaser, lessee, or mortgagee in good faith and for a
14 valuable consideration if the purchaser's, lessee's, or mortgagee's deed,
15 mortgage, or lease is first recorded.
16 (c) **This subsection applies regardless of when an instrument is**
17 **recorded.** If:
18 (1) an instrument referred to in subsection (a) is recorded; and
19 (2) the instrument does not comply with the:
20 (A) requirements of:
21 (i) IC 32-21-2-3; or
22 (ii) IC 32-21-2-7; or
23 (B) technical requirements of IC 36-2-11-16(c);
24 the instrument is validly recorded and provides constructive notice of
25 the contents of the instrument as of the date of filing.
26 SECTION 8. **An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Civil Law, to which was referred Senate Bill No. 524, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 8, line 1, after "sale." insert "**If the issuance of a tax deed does not constitute prima facie evidence of the validity of the sale due to the failure to comply with this subsection, the petitioner or assignee of the petitioner has the burden of proving the validity of the sale by a preponderance of the evidence in any subsequent challenge to the sale.**"

Page 10, line 2, after "sale." delete "The" and insert "**Except as provided in subsection (b),** the".

and when so amended that said bill do pass.

(Reference is to SB 524 as introduced.)

ZAKAS, Chairperson

Committee Vote: Yeas 8, Nays 0.

 SENATE MOTION

Madam President: I move that Senate Bill 524 be amended to read as follows:

Page 7, line 32, delete "receipts and certified mail" and insert "**mailing receipts, return receipts, and returned mailing envelopes**".

Page 7, line 33, delete "return receipts".

Page 7, line 35, delete "receipts" and insert "**mailing receipts, return receipts, and returned mailing envelopes**".

Page 7, line 42, delete "(4)" and insert "**(5)**".

Page 12, line 5, after "mortgage," insert "**memorandum of lease,**".

Page 12, line 6, after "mortgage," insert "**memorandum of lease,**".

Page 12, line 10, delete "a mortgage" and insert "**an instrument**".

(Reference is to SB 524 as printed February 4, 2015.)

ZAKAS



COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Senate Bill 524, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 5 with "[EFFECTIVE JANUARY 1, 2016]".

Replace the effective date in SECTION 6 with "[EFFECTIVE UPON PASSAGE]".

Page 4, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-24.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 24.5. Determination of Serial Tax Delinquencies

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Group of affiliated persons" means a group of persons in which each person of the group has a relationship that is described in Section 267(b) of the Internal Revenue Code with at least one (1) other person of the group.
- (2) "Person" means an individual, a corporation, a limited liability company, a partnership, or other legal entity.
- (3) "Substantial property interest of public record" has the meaning set forth in IC 6-1.1-24-1.9.

Sec. 2. (a) Each year, after the county treasurer certifies the tracts or items of real property on the tax sale list under IC 6-1.1-24-1, if the county executive reasonably believes that:

- (1) ten (10) or more of the tracts or items of real property that appear on the tax sale list are owned by:
 - (A) one (1) person; or
 - (B) two (2) or more persons in a group of affiliated persons, in any ownership relation between persons in the group of affiliated persons and the tracts or items of real property; and
- (2) the tracts or items of real property identified in subdivision (1) were acquired by their respective owners in a previous tax sale under IC 6-1.1-24;

the county executive may petition the court for a finding that serial tax delinquencies exist with respect to the tracts or items of real property identified in subdivision (1).

(b) If each of the tracts or items of real property described in subsection (a)(1) and (a)(2) are located in the same city or town, the executive of the city or town may petition the court for a finding



that serial tax delinquencies exist with respect to the tracts or items of real property identified in subsection (a)(1), if the county executive consents in writing to allow the city or town to file the petition.

Sec. 3. A petition filed with a court under this chapter must include all of the following:

- (1) The legal description and parcel description for each of the tracts or items of real property that are the subject of the petition.**
- (2) A statement that the tracts or items of real property that are the subject of the petition are located within the petitioner's territory.**
- (3) For each tract or item of real property that is the subject of the petition, the names of the persons who own the tract or item of real property. If the petitioner is alleging that the tracts or items of real property are owned by a group of affiliated persons, the petitioner must also specify each person's affiliation with at least one (1) other person in the group of affiliated persons.**
- (4) A statement that each person that owns a tract or item of real property that is the subject of the petition acquired the tract or item of real property in one (1) or more tax sales and subsequently received a tax deed for the real property.**
- (5) For each tract or item of real property that is the subject of the petition, the amounts of the delinquent property taxes and special assessments that are owed at the time the petition is filed.**
- (6) A statement that the delinquent property taxes and special assessments are payable to the county treasurer.**
- (7) A statement that if the delinquent property taxes and special assessments on the tracts or items of real property that are the subject of the petition are not paid on or before the appearance date and time, the petitioner will be entitled to an order directing the county auditor to issue a deed to each of the tracts or items of real property to the petitioner, without a right of redemption.**
- (8) A statement that if proof of payment of the delinquent property taxes and special assessments is tendered to the court on or before the appearance date and time, the court will dismiss the petition.**
- (9) If the petitioner is a city or town, a representation that the petitioner has furnished the county executive with a copy of**



the petition and the county executive consents to the requested relief.

Sec. 4. A petition filed under this chapter must be served on:

- (1) each person who has a substantial property interest of public record in any of the tracts or items of real property that are the subject of the petition; and**
- (2) any other appropriate party;**

in the manner prescribed by the Indiana Rules of Trial Procedure.

Sec. 5. When a court receives a petition from a county, city, or town seeking a determination of serial tax delinquency under this chapter, the court shall issue an order to each person who owns a tract or item of real property that is the subject of the petition and any other person the court considers appropriate that directs the person to appear before the court at a date and time specified in the order and to show cause as to why the tracts or items of real property that are the subject of the petition should not be found to be serially delinquent. The court's order under this section must do the following:

- (1) Direct the parties subject to the order to appear before the court at a date and time specified by the court. The date specified under this subdivision must not be:**
 - (A) earlier than fifteen (15) days; or**
 - (B) later than twenty-five (25) days;****after the date of the court's order.**
- (2) Notify the parties subject to the order that any party ordered to appear:**
 - (A) may present evidence or objections on the issue of serial delinquency to the court:**
 - (i) in writing before the appearance date specified by the court under subdivision (1); or**
 - (ii) in writing or by oral testimony at the date and time specified by the court under subdivision (1); and**
 - (B) has the right to be represented by an attorney when appearing before the court.**
- (3) Notify the parties subject to the order that if the parties:**
 - (A) fail to submit written evidence or objections to the court before the appearance date specified in subdivision (1); and**
 - (B) fail to appear before the court at the date and time specified by the court order under subdivision (1);****the party's failure to submit evidence or objections or to appear before the court will result in a finding of serial tax**



delinquencies with respect to the tracts or items of real property that are the subject of the petition.

Sec. 6. (a) If an order is entered under this chapter finding that serial tax delinquencies exist with respect to tracts or items of real property that are the subject of a petition under this chapter:

(1) the owners of the tracts or items of real property do not have a right of redemption with respect to the tracts or items of real property; and

(2) the tracts or items of real property may be disposed of by the petitioner in any lawful manner.

(b) If an order is entered under this chapter finding that serial tax delinquencies exist with respect to tracts or items of real property that are the subject of a petition under this chapter:

(1) the court shall send a copy of the order to the county auditor; and

(2) the county auditor shall remove the tracts or items of real property from the tax sale list maintained by the county auditor under IC 6-1.1-24.

Sec. 7. (a) If an order is entered under this chapter finding that serial tax delinquencies exist with respect to tracts or items of real property that are the subject of a petition under this chapter:

(1) the petitioner acquires a lien against each tract or item of real property in the amount of delinquent property taxes and special assessments; and

(2) the petitioner may request that the county auditor execute deeds for the tracts or items of real property and deliver the deeds to the petitioner.

(b) A request under subsection (a)(2) along with a copy of the order must be delivered to the county auditor within six (6) months after the date of the court's order. The county auditor shall issue the deeds within sixty (60) days after the date the request is received by the county auditor. If the petitioner does not request the deeds within six (6) months after the date of the order, the order is void.

Sec. 8. If a petitioner acquires a deed to a tract or item of real property under section 7 of this chapter and the petitioner disposes of the tract or item of real property before the third anniversary of the date on which the deed to the tract or item of real property is issued by the county auditor, the proceeds of the disposition, if any, shall be disbursed in the same manner as if the tract or item of real property had been offered and sold at a tax sale under IC 6-1.1-24.



Sec. 9. Subject to section 6(a)(1) of this chapter, a deed issued under section 7 of this chapter conveys the same fee simple interest in a tract or item of real property as a deed issued under IC 6-1.1-25."

Page 6, line 29, after "or" insert **"items of"**.

Page 7, line 28, delete "A" and insert **"Unless the county auditor and the county treasurer have entered into an agreement under section 4.7 of this chapter, a"**.

Page 7, between lines 41 and 42, begin a new paragraph and insert:

"(c) If the purchaser or the purchaser's assignee fails to include the documents described in subsection (b), the issuance of a tax deed does not constitute prima facie evidence of the sale referenced in subsection (k).

(d) If a verified petition is brought by the county auditor under an agreement provided for under section 4.7 of this chapter, a tax deed constitutes prima facie evidence of the validity of the sale referenced in subsection (k) upon timely production by the county of all documents described in subsection (b) in response to a challenge to a tax deed.

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

Page 7, delete line 42.

Page 8, delete lines 1 through 7.

Page 8, line 8, delete "(c)" and insert **"(f)"**.

Page 8, line 31, delete "(d)" and insert **"(g)"**.

Page 8, line 37, delete "(e)" and insert **"(h)"**.

Page 8, line 37, delete "(f)" and insert **"(i)"**.

Page 8, line 37, delete "(g)," and insert **"(j),"**.

Page 9, line 9, delete "(f)" and insert **"(i)"**.

Page 9, line 9, after "(d)," delete "(e)," and insert **"(h),"**.

Page 9, line 14, delete "(c)" and insert **"(f)"**.

Page 9, line 35, delete "(g)" and insert **"(j)"**.

Page 9, line 35, after "(d)" delete "(e)" and insert **"(h)"**.

Page 9, line 35, delete "(f)," and insert **"(i),"**.

Page 9, line 42, delete "(h)" and insert **"(k)"**.

Page 10, line 9, delete "subsection" and insert **"subsections"**.

Page 10, line 9, after "(b)," insert **"(c), (d), and (e),"**.

Page 10, line 14, delete "(i)" and insert **"(l)"**.



Page 12, after line 21, begin a new paragraph and insert:
"SECTION 8. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to ESB 524 as reprinted February 10, 2015.)

STEUERWALD

Committee Vote: yeas 10, nays 0.

