

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7475

BILL NUMBER: SB 517

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Abandoned Housing.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: *Reducing Tax Sale Redemption Period-* The bill reduces the tax sale redemption period for vacant and abandoned residential property to six months, and reduces the redemption period for vacant and abandoned nonresidential property to one month.

Immunity- The bill provides immunity from civil liability to a person who gratuitously: (1) secures; (2) removes trash or debris from; or (3) mows, landscapes, or maintains; vacant or abandoned property.

Interim Study Committee- The bill establishes the interim study committee on mortgage foreclosure issues to study issues relating to: (1) reducing delays in mortgage foreclosures; and (2) mortgage foreclosures of vacant or abandoned property.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Interim Study Committee-* Interim study committees operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members. Committees and commissions with more than 16 members are budgeted \$16,500. The bill does not specify the number of members that would serve on the proposed committee.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Reducing Tax Sale Redemption Period-* This provision would place abandoned/vacant properties sold at tax sale back on the property tax roles at most six months sooner than under current law.

Background Information- Under current law, the redemption amount, up to six months after sale, is 110% of the minimum bid plus additional amounts. After six months have passed until one year has passed, the amount is 115% of the minimum bid plus additional amounts listed below. Additionally, a property redeemer must pay the difference between the purchase price and the minimum bid, plus 10% per annum on that difference. The redeemer must pay all back taxes and special assessments on the property plus 10% per annum on the amount of taxes and special assessments. Additional fees, if they apply, are attorney and title search fees.

State Agencies Affected: Legislative Council, Legislative Services Agency.

Local Agencies Affected: Counties, cities, towns.

Information Sources:

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