

# HOUSE BILL No. 1174

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Tax sale redemption interest rates. Reduces the interest rate that a taxpayer must pay to redeem property that is sold at a tax sale from 10% to 6% if the property is redeemed within six months, from 10% to 6% per annum on amounts paid over the minimum bid and for taxes and special assessments paid after the date of sale, and from 15% to 10% if the property is redeemed after six months.

**Effective:** July 1, 2012.

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January 9, 2012, read first time and referred to Committee on Ways and Means.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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# HOUSE BILL No. 1174



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 6-1.1-24-2, AS AMENDED BY P.L.146-2008,  
2 SECTION 258, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) In addition to the delinquency  
4 list required under section 1 of this chapter, each county auditor shall  
5 prepare a notice. The notice shall contain the following:  
6 (1) A list of tracts or real property eligible for sale under this  
7 chapter.  
8 (2) A statement that the tracts or real property included in the list  
9 will be sold at public auction to the highest bidder, subject to the  
10 right of redemption.  
11 (3) A statement that the tracts or real property will not be sold for  
12 an amount which is less than the sum of:  
13 (A) the delinquent taxes and special assessments on each tract  
14 or item of real property;  
15 (B) the taxes and special assessments on each tract or item of  
16 real property that are due and payable in the year of the sale,  
17 whether or not they are delinquent;



- 1 (C) all penalties due on the delinquencies;  
 2 (D) an amount prescribed by the county auditor that equals the  
 3 sum of:  
 4 (i) the greater of twenty-five dollars (\$25) or postage and  
 5 publication costs; and  
 6 (ii) any other actual costs incurred by the county that are  
 7 directly attributable to the tax sale; and  
 8 (E) any unpaid costs due under subsection (b) from a prior tax  
 9 sale.  
 10 (4) A statement that a person redeeming each tract or item of real  
 11 property after the sale must pay:  
 12 (A) one hundred ~~ten percent (10%)~~ **six percent (106%)** of  
 13 the amount of the minimum bid for which the tract or item of  
 14 real property was offered at the time of sale if the tract or item  
 15 of real property is redeemed not more than six (6) months after  
 16 the date of sale;  
 17 (B) one hundred ~~fifteen percent (15%)~~ **ten percent (110%)**  
 18 of the amount of the minimum bid for which the tract or item  
 19 of real property was offered at the time of sale if the tract or  
 20 item of real property is redeemed more than six (6) months  
 21 after the date of sale;  
 22 (C) the amount by which the purchase price exceeds the  
 23 minimum bid on the tract or item of real property plus ~~ten~~  
 24 **percent (10%) six percent (6%)** per annum on the amount by  
 25 which the purchase price exceeds the minimum bid; and  
 26 (D) all taxes and special assessments on the tract or item of  
 27 real property paid by the purchaser after the tax sale plus  
 28 interest at the rate of ~~ten percent (10%)~~ **six percent (6%)** per  
 29 annum on the amount of taxes and special assessments paid by  
 30 the purchaser on the redeemed property.  
 31 (5) A statement for informational purposes only, of the location  
 32 of each tract or item of real property by key number, if any, and  
 33 street address, if any, or a common description of the property  
 34 other than a legal description. The township assessor, or the  
 35 county assessor if there is no township assessor for the township,  
 36 upon written request from the county auditor, shall provide the  
 37 information to be in the notice required by this subsection. A  
 38 misstatement in the key number or street address does not  
 39 invalidate an otherwise valid sale.  
 40 (6) A statement that the county does not warrant the accuracy of  
 41 the street address or common description of the property.  
 42 (7) A statement indicating:

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- 1 (A) the name of the owner of each tract or item of real
- 2 property with a single owner; or
- 3 (B) the name of at least one (1) of the owners of each tract or
- 4 item of real property with multiple owners.
- 5 (8) A statement of the procedure to be followed for obtaining or
- 6 objecting to a judgment and order of sale, that must include the
- 7 following:
- 8 (A) A statement:
- 9 (i) that the county auditor and county treasurer will apply on
- 10 or after a date designated in the notice for a court judgment
- 11 against the tracts or real property for an amount that is not
- 12 less than the amount set under subdivision (3), and for an
- 13 order to sell the tracts or real property at public auction to
- 14 the highest bidder, subject to the right of redemption; and
- 15 (ii) indicating the date when the period of redemption
- 16 specified in IC 6-1.1-25-4 will expire.
- 17 (B) A statement that any defense to the application for
- 18 judgment must be:
- 19 (i) filed with the court; and
- 20 (ii) served on the county auditor and the county treasurer;
- 21 before the date designated as the earliest date on which the
- 22 application for judgment may be filed.
- 23 (C) A statement that the county auditor and the county
- 24 treasurer are entitled to receive all pleadings, motions,
- 25 petitions, and other filings related to the defense to the
- 26 application for judgment.
- 27 (D) A statement that the court will set a date for a hearing at
- 28 least seven (7) days before the advertised date and that the
- 29 court will determine any defenses to the application for
- 30 judgment at the hearing.
- 31 (9) A statement that the sale will be conducted at a place
- 32 designated in the notice and that the sale will continue until all
- 33 tracts and real property have been offered for sale.
- 34 (10) A statement that the sale will take place at the times and
- 35 dates designated in the notice. Whenever the public auction is to
- 36 be conducted as an electronic sale, the notice must include a
- 37 statement indicating that the public auction will be conducted as
- 38 an electronic sale and a description of the procedures that must be
- 39 followed to participate in the electronic sale.
- 40 (11) A statement that a person redeeming each tract or item after
- 41 the sale must pay the costs described in IC 6-1.1-25-2(e).
- 42 (12) If a county auditor and county treasurer have entered into an

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1 agreement under IC 6-1.1-25-4.7, a statement that the county  
2 auditor will perform the duties of the notification and title search  
3 under IC 6-1.1-25-4.5 and the notification and petition to the  
4 court for the tax deed under IC 6-1.1-25-4.6.

5 (13) A statement that, if the tract or item of real property is sold  
6 for an amount more than the minimum bid and the property is not  
7 redeemed, the owner of record of the tract or item of real property  
8 who is divested of ownership at the time the tax deed is issued  
9 may have a right to the tax sale surplus.

10 (14) If a determination has been made under subsection (d), a  
11 statement that tracts or items will be sold together.

12 (b) If within sixty (60) days before the date of the tax sale the county  
13 incurs costs set under subsection (a)(3)(D) and those costs are not paid,  
14 the county auditor shall enter the amount of costs that remain unpaid  
15 upon the tax duplicate of the property for which the costs were set. The  
16 county treasurer shall mail notice of unpaid costs entered upon a tax  
17 duplicate under this subsection to the owner of the property identified  
18 in the tax duplicate.

19 (c) The amount of unpaid costs entered upon a tax duplicate under  
20 subsection (b) must be paid no later than the date upon which the next  
21 installment of real estate taxes for the property is due. Unpaid costs  
22 entered upon a tax duplicate under subsection (b) are a lien against the  
23 property described in the tax duplicate, and amounts remaining unpaid  
24 on the date the next installment of real estate taxes is due may be  
25 collected in the same manner that delinquent property taxes are  
26 collected.

27 (d) The county auditor and county treasurer may establish the  
28 condition that a tract or item will be sold and may be redeemed under  
29 this chapter only if the tract or item is sold or redeemed together with  
30 one (1) or more other tracts or items. Property may be sold together  
31 only if the tract or item is owned by the same person.

32 SECTION 2. IC 6-1.1-25-2, AS AMENDED BY P.L.89-2007,  
33 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2012]: Sec. 2. (a) The total amount of money required for the  
35 redemption of real property equals:

36 (1) the sum of the amounts prescribed in subsections (b) through  
37 (e); or

38 (2) the amount prescribed in subsection (f);

39 reduced by any amounts held in the name of the taxpayer or the  
40 purchaser in the tax sale surplus fund.

41 (b) Except as provided in subsection (f), the total amount required  
42 for redemption includes:

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- 1 (1) one hundred ~~ten percent (10%)~~ **six percent (106%)** of the  
 2 minimum bid for which the tract or real property was offered at  
 3 the time of sale, as required by IC 6-1.1-24-5, if the tract or item  
 4 of real property is redeemed not more than six (6) months after  
 5 the date of sale; or  
 6 (2) one hundred ~~fifteen percent (15%)~~ **ten percent (110%)** of  
 7 the minimum bid for which the tract or real property was offered  
 8 at the time of sale, as required by IC 6-1.1-24-5, if the tract or  
 9 item of real property is redeemed more than six (6) months but  
 10 not more than one (1) year after the date of sale.
- 11 (c) Except as provided in subsection (f), in addition to the amount  
 12 required under subsection (b), the total amount required for redemption  
 13 includes the amount by which the purchase price exceeds the minimum  
 14 bid on the real property plus ~~ten percent (10%)~~ **six percent (6%)** per  
 15 annum on the amount by which the purchase price exceeds the  
 16 minimum bid on the property.
- 17 (d) Except as provided in subsection (f), in addition to the amount  
 18 required under subsections (b) and (c), the total amount required for  
 19 redemption includes all taxes and special assessments upon the  
 20 property paid by the purchaser after the sale plus ~~ten percent (10%)~~ **six**  
 21 **percent (6%)** interest per annum on those taxes and special  
 22 assessments.
- 23 (e) Except as provided in subsection (f), in addition to the amounts  
 24 required under subsections (b), (c), and (d), the total amount required  
 25 for redemption includes the following costs, if certified before  
 26 redemption and not earlier than thirty (30) days after the date of sale of  
 27 the property being redeemed by the payor to the county auditor on a  
 28 form prescribed by the state board of accounts, that were incurred and  
 29 paid by the purchaser, the purchaser's assignee, or the county, before  
 30 redemption:
- 31 (1) The attorney's fees and costs of giving notice under section 4.5  
 32 of this chapter.
- 33 (2) The costs of a title search or of examining and updating the  
 34 abstract of title for the tract or item of real property.
- 35 (f) With respect to a tract or item of real property redeemed under  
 36 section 4(c) of this chapter, instead of the amounts stated in subsections  
 37 (b) through (e), the total amount required for redemption is the amount  
 38 determined under IC 6-1.1-24-6.1(b)(4).

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