

Indiana Real Property Tax Sales - 2019



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Real Property Tax Sales

Different public sales

- **Tax & Assessment**
- **Surplus**
- **Foreclosure**
- **Other court ordered sales**
- **Forfeiture property**
- **Probate**



Real Property Tax Sales

IC 6-1.1-24

**Chapter 24. Sale of Real Property When Taxes or
Special Assessments Become Delinquent**

[http://iga.in.gov/legislative/laws/2019/ic/titles/006/
#6-1.1-24](http://iga.in.gov/legislative/laws/2019/ic/titles/006/#6-1.1-24)



Real Property Tax Sales

County Treasurer certifies the list

On or after January 1 of each calendar year in which a tax sale will be held in a county and not later than fifty-one (51) days after the first tax payment due date in that calendar year



Real Property Tax Sales

For REAL property

Treasurer certifies for collection to the Auditor property taxes or special assessments that are deemed delinquent

Anything in excess of \$25

Based on prior year's SPRING installment



Real Property Tax Sales

For REAL property

If “county executive” certifies the property is VACANT or ABANDONED, the delinquency is based on prior year’s FALL installment



Real Property Tax Sales

County Auditor keeps the list

WITHIN 15 DAYS AFTER THE LIST IS CERTIFIED,
Auditor must send by certified mail a copy of the list
to every mortgagee who requests the list

WHY?



Real Property Tax Sales

Why?

Mortgagees are not interest holders & get no notice of the sale

Mortgagor vs. Mortgagee?



Real Property Tax Sales

REMOVAL from the list

Delinquent taxes and special assessments due before the date the list was certified AND penalties due on the delinquency, interest, and costs directly attributable to the tax sale have been paid in full.



Real Property Tax Sales

REMOVAL from the list

Auditor must remove property from the list if the “county treasurer and the taxpayer agree to a mutually satisfactory arrangement for the payment of the delinquent taxes.”



Real Property Tax Sales

REMOVAL from the list

Payment plan must:

1. Be in writing;
2. Be signed by the taxpayer; and
3. Requires the taxpayer to pay the delinquent taxes in full, not later than the last business day before July 1 of the year
 - after the date the agreement is signed



Real Property Tax Sales

REMOVAL from the list

Payment plan limits:

You only get one settlement opportunity every 5 years



Real Property Tax Sales

Who gets notices?

Indiana Code: "substantial property interest of public record" means title to or interest in a tract possessed by a person and recorded in the office of a county recorder or available for public inspection in the office of a circuit court clerk



Real Property Tax Sales

NOTICE is a statement that. . .

1. Identifies the property
2. Will be sold at a public sale to highest bidder
3. The amount of back taxes/assessments
4. Penalties
5. Redemption amount



Real Property Tax Sales

NOTICE is a statement that. . .

6. County does not warrant info
7. Identifies one owner
8. Auditor and Treasurer will get a court judgment and an order to hold the sale
9. Right to file challenge to the sale
10. Date and details of the sale



Real Property Tax Sales

NOTICE is a statement that. . .

Etc., etc., etc.

Indiana Code Section 6-1.1-24-2(a)



Real Property Tax Sales

REDEMPTION AMOUNT

110% of the minimum bid amount, if redeemed within 6 months

115% of the minimum bid amount, if redeemed after the first 6 months



Real Property Tax Sales

Plus. . .

the amount by which the purchase price exceeds the minimum bid on the tract or item of real property plus five percent (5%) per annum on the amount by which the purchase price exceeds the minimum bid



Real Property Tax Sales

Plus. . .

all taxes and special assessments on the tract or item of real property paid by the purchaser after the tax sale plus interest at the rate of five percent (5%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property.



Real Property Tax Sales

REDEMPTION PERIOD. . .

- One year for most property
- 120 days for property on the “alternate list”
 - Abandoned
 - Vacant
 - Or, if buyer is a qualified purchasing agency or county executive holds lien



Real Property Tax Sales

The Sale

- Must be held within 171 days after certified list goes to the Auditor
- Cannot be sold if taxes and penalties are paid before the sale
- Subject to right of redemption
- Highest bidder
- Minimum bid- taxes, interest and costs (can be lowered by Treasurer)



Real Property Tax Sales

The Sale

- Certain buyers are prohibited
- All buyers must sign a statement
- Forfeiture is the penalty
- Buyer purchases a “certificate of sale” signed by the Auditor
- Purchase price due immediately
- 25% penalty for non-payment



Real Property Tax Sales

The Certificate of Sale

- Buyer acquires a lien on the property
- NOT legal title
- Lien is superior to all other liens that exist as of date of certificate
- Lien is assignable



Real Property Tax Sales

The Certificate of Sale

- Treasurer guarantees/warrants that property was eligible for sale
- Subsequent tax sale purchasers prevail over prior tax sale purchasers



Real Property Tax Sales

The Tax Deed

- Superior title over liens prior to date of certificate
- Easements, covenants, deed restrictions, zoning, etc. still in effect



Real Property Tax Sales

The Tax Deed

- Notice requirement: not later than six (6) months after the sale, the purchaser or the purchaser's assignee must give notice to owner of record or persons with “substantial interest” in the real estate



Real Property Tax Sales

The Tax Deed

- Purchaser must seek the deed not later than three (3) months after the expiration of the period of redemption.
- Verified petition is filed with the court that ordered the sale.



Real Property Tax Sales

IC 6-1.1-25-7

Termination of purchaser's lien

“If the purchaser fails to file the petition within the period provided in section 4.6 of this chapter, that person's lien against the real property terminates at the end of that period.”



Real Property Tax Sales

The Tax Deed

However. . .

- Section does not apply if the city or county is the holder of the certificate



Real Property Tax Sales

Advantages

- Low purchase price
- Superior title- **IF** all notices were properly sent.



Real Property Tax Sales

Disadvantages

- NOT legal title at the sale
- Risk to physical structure during redemption period
- Quiet title action sometimes required



Real Property Tax Sales

Good Samaritan Law

- CAN maintain exterior at your own risk
- Does NOT stop Code Enforcement
- May NOT enter or use property



Marion County Tax Sale

2019 Tax Sale:

<https://www.indy.gov/activity/prepare-for-a-tax-sale>

Real Property Tax Sales

www.indybizlaw.com – Articles

www.indianavirtuallaw.com – Forms

www.myINreia.com – Info

