



8082 BASH STREET | INDIANAPOLIS, IN 46250
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FREQUENTLY ASKED QUESTIONS

Indiana Tax Sale

These frequently asked questions are a reference pertinent to tax sales in the state of Indiana.

1. What am I bidding on?

- Auction participants are bidding on liens on properties with delinquent taxes.

2. What is a tax lien?

- A tax lien is a governmental lien upon real estate for delinquent property taxes and other assessments.

3. How are properties put on tax sales?

- A property becomes eligible for the county tax sale when property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior year's spring installment or before are delinquent.

4. Which government officials are responsible for tax sales?

- The auditor and treasurer jointly conduct county tax sales in Indiana.

5. How often are tax sales held?

- Indiana counties conduct one county tax sale for each tax year. These county tax sales are typically held in the autumn. However, there are other types of tax sales that may take place in the same year as a county tax sale. Indiana counties may also conduct commissioners' certificate sales and commissioners' deed sales.

6. When is the next auction?

- Upcoming auctions are posted on our auction calendar.

7. Where will the auction be advertised?

- Advertising is placed in one or more local newspapers. Advertisement information typically consists of information reflected on the item listing.

8. How often are auctions advertised?

- The tax lien auctions are advertised at least five weeks before the scheduled auction. They are advertised for three consecutive weeks.

9. When is the item list available?

- The item list will be available about 4 weeks prior to the auction date.

10. Can I pay the taxes and own the property?

- No, paying delinquent taxes does not mean you've purchased a property. Purchasing a tax lien is an investment that does not convey ownership to the lien holder.
- The tax deed process does convey ownership. If the property for which a lien buyer purchased a tax sale certificate at a county tax sale is not redeemed during redemption period, the lien buyer must

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comply with additional statutory requirements in order to obtain a tax deed. You should consult an attorney regarding these requirements under Indiana's tax sale statutes.

11. What type of bidding process will be used?

- This is an open auction format. The minimum bid will be advertised in the local newspaper(s) and is the lowest amount that can be accepted by law. The tax sale certificate represents the lien and will be awarded based upon the highest bid and the satisfactory form of payment, subject to the right of the redemption period.

12. What's a lien buyer?

- Winning bidders are referred to as lien buyers.

13. When is the payment due?

- Each county sets its own payment terms. The payment terms will be provided to you during the registration process. Lien buyers must pay the amount of their bids in a form of funds acceptable to the county and by the deadline established in the rules of the auction. In most cases, payments will be made to the county by wire transfer.

14. What happens if I do not pay my auction invoice?

- A lien buyer who fails to pay the amount bid shall be responsible for paying a civil penalty of twenty-five percent (25%) of the amount of the bids. The county prosecuting attorney is authorized to initiate a lawsuit in the name of the state treasurer to recover the civil penalty.

15. Are sales final?

- Yes.

16. What will I receive to verify my purchase?

- After a lien buyer pays the amount of the winning bid, the lien buyer will be issued a certificate of sale for each tax lien purchased.

Please note:

- It is critical that lien buyers safeguard the tax sale certificate(s) they are issued.
- If the property is redeemed during the redemption period, the lien buyer must surrender the certificate of sale to the county auditor in order to receive the funds the lien buyer is owed as a result of the redemption.

17. Can a certificate be assigned?

- A certificate of sale is assignable. However, an assignment is not valid unless it is endorsed on the certificate of sale, acknowledged before an officer authorized to take acknowledgments of deeds, and registered in the office of the county auditor. When a certificate of sale is assigned, the assignee acquires the same rights and obligations that the original lien buyer acquired.

18. When can I take possession of the property?

- Lien buyers are not legally able to take possession until they receive a tax deed for the property pursuant to a court order.

19. As a lien buyer, how do I obtain title to the property?

- Lien buyers should consult an attorney regarding the requirements under Indiana's tax sale statutes.

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20. As a lien buyer, when can I apply for tax deed?

- If the property for which a lien buyer purchased a tax sale certificate at a county tax sale is not redeemed during redemption period, the lien buyer must comply with additional statutory requirements in order to obtain a tax deed. You should consult an attorney regarding these requirements under Indiana's tax sale statutes.

21. As a lien buyer, do I have the right to secure the property?

- No, if the lien buyer enters the premises before he or she is issued a tax deed, the lien buyer is trespassing.

22. Will other liens be cleared from the property as a result of the sale?

- No liens or encumbrances are extinguished by virtue of a county tax sale. The event that may potentially extinguish various liens and encumbrances is the issuance of a tax deed. A tax deed executed under I.C. 6-1.1-25-4.6 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 that accrue subsequent to the sale. However, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale.

23. What if taxes become due after I purchase the certificate at a tax sale? Am I responsible to pay after the auction?

- During the redemption period, lien buyers are strongly encouraged to pay all subsequent taxes and special assessments on the tax sale properties they purchased. If a lien buyer pays taxes and special assessments on the property after the auction, the lien buyer must follow the form 137B process to ensure that the lien buyer is reimbursed if the property is redeemed. Immediately upon paying any subsequent taxes and special assessments on the property, the lien buyer should provide a receipt to the County Auditor's office and file a form 137B. If the lien buyer has paid subsequent taxes and special assessments, and properly filed a form 137B, the lien buyer will be entitled to reimbursement for all such taxes and special assessments plus interest at the rate of 5% per annum, upon redemption. If the property is not redeemed during the redemption period, the lien buyer will not be reimbursed for any subsequent taxes and special assessments. If the property is redeemed before the lien buyer files a form 137B for subsequent taxes and special assessments, the lien buyer will not be reimbursed.

24. Are there any other expenses in addition to the cost of the lien?

- If a tax sale property is redeemed during the redemption period, the lien buyer may be reimbursed for its attorney's fees and costs of giving notice under I.C. 6-1.1-25-4.5, as well as the cost of a title search. This reimbursement of a lien buyer's actual paid expenses is subject to a maximum or ceiling amount established by the court having jurisdiction over the auction. The maximum amounts for title search and attorneys' fees reimbursement are stated in the 137B.

Please note:

- Lien buyers shall only be entitled to reimbursement if they file a form 137B with the County Auditor prior to time the property is redeemed.
- Lien buyers must present proof of payment of reimbursable expenses when they file a form 137B.
- If the property is not redeemed during the redemption period, a lien buyer will not be entitled to any reimbursement of attorneys' fees, costs of giving notice under I.C. 6-1.1-25-4.5 or a title search.

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25. How long is the redemption period?

- The period for redemption of real property sold under I.C. 6-1.1-24-5 is one (1) year after the date of sale.

26. Who is entitled to redeem the property?

- Any person may redeem property sold in a county tax sale before the expiration of the redemption period.

27. If the lien purchased is redeemed, will I get my money back?

- You will receive all of your purchase price back plus a minimum of 10% return on the minimum bid and reimbursement for all properly filed 137B costs.

28. What if someone gets hurt on the property during the redemption period?

- The lien buyer is not the owner of the property during the redemption period. For this reason, the lien buyer is not responsible for any accidents or injuries that occur on the property during the redemption period.

29. If a foreclosure is necessary, will the county assist in this matter?

- The concept of foreclosure is not part of the tax sale process in the State of Indiana and is not contemplated by its tax sale laws, I.C. 6-1.1-24, et seq. and I.C. 6-1.1-25, et seq.

30. What happens to properties if they do not sell?

- When property is offered for sale under I.C. 6-1.1-24-5 and an amount is not received equal to or in excess of the minimum sale price, the county executive acquires a lien in the amount of the minimum sale price. When a county executive acquires a lien as described above, the county auditor shall issue a tax sale certificate to the county executive. When a county executive acquires a tax sale certificate, the county executive has the same rights as a purchaser. The county executive may offer the certificate for sale via public auction, pursuant to I.C. 6-1.1-24-6.1, pursue title to the property, or simply retain the certificate.