Profiting From Tax-Delinquent Properties WAY Before the Sale

Get Lists of Thousands of Tax-Delinquent Properties in Your County – And Use the Months or Years Before the Tax Sale to Your Advantage!

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Introduction

Buying and reselling properties right before the tax sale is my favorite way to make money with tax-delinquent property. But after many of the deals I did, I asked myself "If I could have located this particular owner years earlier, would they have still done the same deal with me?"

Often I think that answer would have been yes.

In this bonus section, we're going to look at the opportunities that working general tax-delinquent lists can bring you:

- Property lists that number in the thousands or tens of thousands
- More time to get the deal completed
- Availability of more methods to profit, such as purchase options and owner financing
- Access to the same motivated/walkaway sellers of DeedGrabber property, only earlier
- Ability to profit even when no tax deed sale or tax lien deadline is approaching in your area
- Less accrued delinquent taxes

By adding tax-delinquent investing to your DeedGrabbing, you can work all year round in any area, and almost always get your lists in convenient computer spreadsheet format right from your county.

The State Law and Getting Your Lists

In the “Go Ahead, Be a DeedGrabber” ebook, one of the first things we covered was looking up your state’s statutes, and finding out how tax delinquent properties were handled by the county near the time of the tax deed or tax lien sale, and on until the owner lost the property.

Now, we’re going to want to “rewind” a little bit in the law and look for the first mention of when taxes become delinquent.

If you do this, you’ll notice that in almost all states, a delinquency notice is required to be sent shortly after taxes become delinquent. This indicates that the county can generate a list of delinquent properties when it so chooses, in order to send these letters out.

It may have been a different story 30 years ago, but every county that I’ve ever encountered in the United States now uses a computer system to keep track of their tax collections. If you receive anything other than a handwritten or manually typewritten bill in your county, a computer printed it, and relied on a database of names to print each bill.

What this means to us is that each county can generate a list of delinquent properties from its computer when it’s time to mail delinquent notices, and so therefore it can generate a list of delinquent properties for us on our request.

And, it’s generally every state’s policy to require governmental agencies to provide copies of any non-exempt records requested. Tax records do not fall into the exempt-records category, which usually consist of records containing social security numbers and the like.

If you continue to read your state's statute, you'll find that after the notice is mailed and some more time goes by, various lists are required to be prepared of the properties that remain delinquent.

In some states, a separate "delinquent tax roll" is prepared, separate from the main tax roll. Other states have "delinquent tax books" that list all delinquent properties.

Sometimes, no separate roll or book exists, but the tax collector must prepare a list of properties at a certain stage of delinquency and transmit it to the court or another office within the county.

Each time a book is prepared, or a list is required to be prepared and transmitted to another office in the county, it's an opportunity for you to do a public records request and get the list of delinquent properties.

Tax-Delinquent Lists

Lists of tax-delinquent property are HUGE especially in the early stages of tax delinquency. I've seen lists provided by large counties that contained as many as 187,000 records. The smallest number I've seen is about 2,000 properties for a single county.

Because of the large number of properties to be managed at this stage, these lists are almost always managed on computer. That's the format you should request them in as well. Most states require that electronic records be given electronically upon request.

Microsoft Excel or OpenOffice can read nearly all of the electronic formats used today. In the small percentage of cases where the format cannot be read, it's easy to find someone to convert it for you on elance.com.

Besides the fact that you can get these lists electronically in most cases, there is another nice thing about these delinquent lists: they often contain much more information than you would expect.

At a minimum, every electronic list I've seen contains assessed value, owner name and address, property address, amount delinquent, and parcel number. I've seen lists with over 100 columns of information, which even showed bankruptcy indicators and property type codes.

We have even encountered counties who would email us these lists or provide us online download access to their list in real-time, at no charge. Typically though, the county will send you the list on CD and charge anywhere from $20-$250 for the list.

Dealing with the Contact Person at the County

I will not repeat the section on county officials here, as it is already contained in the main section of this book. Suffice it to say, that you may meet resistance when requesting this list. This resistance is usually out of ignorance, not a desire to "trip you up".

You see, several, or even dozens of different people will be employed at the county tax collector's office, and only one or two will know about the delinquent list you're asking about and how to get it to you. Unfortunately, most of the time these are not the people who are answering the phone when you call.

The most effective way to get the list is to have the code section in hand that states that such a list must exist or be prepared, and also have your freedom of information act for your state handy as well.

Then, you will know exactly what code section requires a list to be prepared and maintained, and you will know your rights to receiving it. If you cite this code and ask for the list specifically, and don't take no for an answer, you'll find that you'll be transferred to a supervisor or someone "higher up" who will be familiar with what you're talking about.

-or-

Skip this step completely and start in 5 minutes!

NEW - Download tax delinquent lists from around the country (most with ALL the tax delinquent Properties in the whole county) at http://www.taxdelinquentlists.com

You get immediate download of your list(s) immediately upon ordering! Click Below

Tax Delinquent Lists.com

The only source for ***up-to-date*** Tax-Delinquent Property Lists

with immediate download!

Up-to-date lists of Delinquent Real Estate for Immediate Download!

Understanding Your Electronic List and Doing Preliminary Processing

When you receive your list from the county in electronic format, chances are that it will be readable in Excel or OpenOffice. The first thing you want to look at is the "header row" which is simply the first row of the spreadsheet. It should label the data that follows below in the column.

Occasionally, the header row is sent in a separate file, or not included at all. If it's in a separate file, insert a blank row at the top of the spreadsheet and paste it in. If there is no header row information, contact the official who provided you with the list to obtain this information.

You also want to see if your file came with a header row definition list. This just tells you what each header means. For example, OWN1 = Owner Name, ISBANKRUPT = Bankruptcy indicator, etc. Most of the time, using what is in the header row, you can figure out what each column represents.

Generally, if you see a header that looks like a statement such as "IsAllPaid" or "IsBankrupt", the column will contain 0's and 1's. 0 indicates false, and 1 indicates true.

It's Really Not That Technical

I can see some readers born before 1970 putting this book down now and reaching for an aspirin. It's really not that complicated. Get your list, open it in Excel, and it will make sense to you. If it doesn't, the county official who provided it to you should be able to answer your questions. If all else fails, email us at support@deedgrabber.com and I'll take a look.

Now, there are a few things you should be aware of when looking at this list.

First, when a property becomes delinquent, it is placed on this list. However, when the delinquent taxes are paid, it often remains on the list for some time (as long as 10 years). To note that taxes are paid, the county often has a column that contains payment status.

Some counties have a column called, not surprisingly, "payment status". In this column, they will put a code like PD for paid, UP for unpaid, etc.

Other counties will have a column that says "IsAllPaid" or something similar; if it's all paid, there is a 1 in the column, if not, there is a 0 in the column.

Just look for a column that indicates payment has been made. If the county generates the list for you in real time, it's possible that there is no column for paid because every single property on the list is tax-delinquent.

If you find such a column, get rid of all of the paid property listings. Do this by sorting the spreadsheet by the column containing the payment status information. Then, highlight all the rows that contain a paid status indicator and delete the rows.

Another interesting thing I've found is that some counties mix in personal property tax delinquencies with real property tax delinquencies. So, if you see a column indicating personal property vs. real property, sort once again by this column and delete the rows containing personal property.

In many cases you have now eliminated half or more of the records originally contained in the file. But this may still leave you with 10,000 records or more.

Filtering Your List Further

Now that you've done your best to make sure that your list contains only tax-delinquent property, and no personal or other types of property besides real estate, you'll still want to narrow it down further.

By sorting various rows, you can delete properties that:

- Are below a certain assessed value
- Are above a certain assessed value
- Are a property type that you are not interested in, if that information is contained
- Are owned by a corporation or bank
- Owe too much in taxes compared to their value

In addition, you'll want to consolidate owners who own several properties into one record. Otherwise, you'll find yourself mailing many letters to the same person.

Finally, you may need to reformat the owner names and owner mailing addresses into First Name, Last Name format and into Street Address, City, State, and Zip for mailing purposes. Some counties have this information conveniently separated for you already, while others jam everything into one cell on the spreadsheet.

If your list is still very large (which it very well may be), mail to the owners who live outside of the county first – they're the best leads!

Mailing to Your List

When we mail to tax-delinquent owners, we will use a slightly different philosophy than when we're pursuing the last-minute deals discussed in the first part of this book. We will also use a different letter - obviously we will not state to the owner that they will lose their property soon, and may choose not to even mention the tax delinquency in our mailing piece when marketing to tax-delinquents.

As you can imagine, the pressure on the owner to sell the property will not be as great when they are merely tax-delinquent and not facing immediate loss of the property. However, a certain percentage of our list will be walkaway owners, and we will find many of them through skiptracing our returned mail.

Other owners will be willing to sell an unwanted property, but not for such a low token price as they would have sold for if the property was facing loss in days or weeks. This is OK – in a future chapter we will discuss how we can profit from these properties without paying cash for them, using time as our ally.

We will have many more people on our tax-delinquent list than we will have on our DeedGrabber list, and a smaller percentage of them will be serious about doing a deal with us. But, because the overall tax-delinquent list is so much larger, there could actually be more deals to be made overall with the tax-delinquent list than the DeedGrabber list.

Shotgun Approach vs. Rifle Shot Approach

When we get our DeedGrabber last-minute list, we have a relatively small number of people on the list, who we know will lose their property shortly if taxes aren't paid. There is only a limited window of time to contact them, and we know each and every one of them has allowed the tax delinquency to get to the point where it really threatens their property ownership.

Therefore, I recommended in that section of the ebook to take a “rifle shot” approach to those people – try to contact each and every one of them by phone, skiptrace them in advance if possible to have the highest chance of reaching them, and even try to visit the properties or the owners themselves in person if all else fails.

This approach usually cannot be used profitably when pursuing tax-delinquent owners. With the much larger number of tax-delinquent owners we’ll have available, we simply cannot spend the time and effort to contact each and every owner individually without knowing that the owner is especially likely to be motivated or willing to work with us.

So, we’re taking more of a “shotgun approach” here. Meaning, we need to “farm” our larger list and let the most motivated sellers identify themselves before we spend individual effort on them.

The sellers who are most motivated will identify themselves in two main ways: they will call us from our mailer, or the mailing piece we sent them will be returned undeliverable.

Here are the main differences in our approach:

- We will not skiptrace the owners upfront. For an already-filtered list of 1000 property owners, this would cost over $1000 upfront.
- We may want to send postcards, without mention of the tax delinquency, for our first mailer to save money.

With our first postcard mailer, we can accomplish our main goals: get the most motivated or indifferent sellers to call us, and see who is not getting their mail.

We'll get some calls and hopefully do some deals just by owners calling from our postcard. But then we will skiptrace the returned mail and send a letter to the new addresses we get, and call those owners as well.

It's probably worth it to mail one more followup letter to the others who received their postcard but didn't respond.

The Message in Our Mailers

As I mentioned earlier, we will use a different message in our mailers; we will not be telling the owner that the property is at the verge of loss to tax sale.

When we send our postcards, we definitely do not want to mention the tax delinquency on the postcard, because the world can see the content on a postcard.

When we send our letter, we probably will want to mention the tax delinquency.

Our new message will go like this for a postcard:

I'M LOOKING FOR PROPERTY IN YOUR AREA

RE: {Property Address or Parcel Number}

I'm part a group of local investors who are looking to purchase several properties in your area this month, and we've identified your property as a parcel we might be interested in purchasing.

If you'd like to sell this property, please give me a call today!

Sincerely,

Your Name, Phone Number"

You may have noticed that the wording on this postcard is not a huge breakthrough or anything – keep in mind, the purpose of the postcard is to detect owners who are not getting their mail, and to get the people who want to sell the most to call.

When you send letters to the new addresses found for undeliverable mail through your skiptrace, or followup letters to the owners who did receive your postcard, you can introduce the fact that the taxes are delinquent:

"RE: Property Address/Parcel Number

Dear Owner,

I previously sent you a postcard expressing interest in possibly purchasing the above property, and didn't hear back from your. I wanted to give you a "heads up" that during a public records search we recently performed, the property was shown to be delinquent for the non-payment of county taxes.

If you plan to pay the taxes or have done so already, and do not wish to sell the property, please disregard this letter.

Please be aware that if the taxes are not paid in a timely manner, a foreclosure of the property could eventually result.

If you're not interested in your property anymore and would like to get some cash for it, please call me today.

Your Name"

As with the DeedGrabber last-minute letters I send, I like to use click2mail.com to get my postcards and letters out, but you could choose to print and stuff them yourself, also.

However you run your mailing campaign, don't forget to collect your "Paper Gold" – the returned postcards or letters you get. Skiptrace these owners and get ready to call them!

Calling Tax-Delinquent Owners

Calling tax-delinquent owners is even more casual and easy than calling owners about to lose their property to tax sale.

Since you'll only be calling owners who you've received returned mail from, you'll have something to talk about, and a valuable service to offer them – notifying them that their address is out of date with the county.

"Hi, Mr. Owner? My name's Rick Dawson, I'm a real estate investor in Indiana. I just sent out a batch of postcards to some property owners in your area offering to buy their property, and I wanted to give you a "heads up" that the postcard I sent you was returned back to me from the Post Office undeliverable…I thought maybe you should know that the recent tax bills the county is sending you are probably getting returned too, and that there are some property taxes that have become delinquent on the property – is this by any chance a property you'd like to look at selling?"

This should open up the conversation well, and you can then ask what they'd like to accomplish with the property.

Making Deals with Owners

The conversation you have with tax-delinquent owners will be quite similar to the one you have with owners about to face foreclosure of their property. The main thing you want to know after talking with the owner is, "What Do You Want to Accomplish with the Property?" Early in the conversation, ask this question directly and listen to their entire response. The answer to this question will tell the true issue that will satisfy the owner.

During the course of the conversation you will also want to find out what liens and mortgages might exist against the property.

If the owner wants to accomplish something other than selling the property, you probably will want to move on to another owner.

But once again, you will sense when an owner has given up on the property, or the owner will come right out and tell you they don't want the property any more.

If the owner doesn't want a property, offer a token amount for their time in doing the paperwork, and see if this is all they want from the property. If so, get a deed and purchase agreement sent to the owner and get deal done right away.

Otherwise, try to arrive at a price with the owner, or at least a general idea of what the owner is looking for.

If the price sounds good and you want to move forward with a cash purchase for a few thousand dollars or less, but you want to investigate the property and the title before you purchase, use the purchase agreement found in the DeedGrabber section of this book.

However, now you can allow yourself 60 or even 90 days to inspect the property and title, since there not a tax deadline coming up.

The Luxury of Time

Properties purchased for a token amount will come around less often than with last-minute DeedGrabbing, though you'll be talking to a lot more sellers due to the larger-sized lists you'll have.

But this does not mean that you will now have to pay large amount of cash to buy properties from less-motivated owners. You now have the luxury of time on your side.

When there are months and months, or years until the tax foreclosure deadline, you can now:

- Purchase the property for cash and wait to pay the taxes until you resell
- Agree on a price with the owner, and market the property before you buy it to make sure you can find a buyer
- Sell properties on owner financing to your buyers

Not only will the drop dead date for redeeming the taxes be much further in the future, but the actual amount owed will often be much less.

Let's look at the different types of deals you could try to do with the owner:

<u>Token Cash Purchase:</u>

As with DeedGrabbing, get deeds to unwanted properties for under $500, and wait to pay the taxes. List the property with a Realtor, and also offer it with owner financing. You can often recoup your entire investment and pay the tax delinquency with the down payment you receive from your buyer, and then enjoy monthly payments for years to come.

Bargain Cash Purchase:

Many sellers will also be happy to walk away with a more substantial cash payment of $500-$5000. When paying an amount in this range, be absolutely sure that title is clear, or that you're aware of all liens on title, by running a title report.

Sell the property for cash or with owner financing. Conserve cash by leaving the tax delinquency open until you have a sale.

Option the Property:

If you're not sure that you can make a profit at the price that the owner is asking, or the owner wants more cash than you have available, option the property from them.

When you run into this situation, where you're not willing or able to pay the cash price that the owner is asking, try a conversation like this after arriving at a price:

"Mr. Seller, I'm in business to make a profit from the property I buy and sell – so I need to buy property at a price that will allow me to make a profit…is that OK?"

{Yes}

"OK, great. Are you pretty sure I could make a profit from this property at the price you're asking?"

{Yes}

"Well, if that's the case, consider your property sold. Before I buy it, I'm going to need to test market it to other investors in the area - in fact I'll go 'all out' to market the property to see what we can get from it. If I can make a profit from it, I'll give you your asking price. Is that fair enough?"

If the owner is not OK with the fact that you need to make a profit, or not willing to offer you the property at a price at which he thinks you can make a profit, you'll probably want to move on. But most owners will be OK with you making a profit from the property, and feel that the price they are asking will allow you to make a profit.

You'll then go on to explain that you'll get an option to purchase out to them to sign, and you'll get going marketing the property right away.

If you'd like to use this strategy to get a lot of properties into play, be sure to pick up Coach Mitch's "Famous $1 Option Package", available at http://www.deedgrabber.com/coach-mitch. It contains everything you need to set up options with sellers and profit from their properties with only $1 invested.

Using the options in Mitch's package, you'll have the ability to market the property in any way you wish, even with a Realtor! All without buying the property first.

One exciting concept that Coach Mitch points out in his material is that you can often renegotiate the option price with a seller once you have an offer in hand from a third-party buyer.

Even if you option a property for $50,000 from a seller, and later receive an offer for only $45,000, you can call the seller and explain that if he would agree to receive $40,000 or some other lesser amount, you could close now on the property.

Often, after time goes by and the seller sees that his property is not worth what he had hoped, he'll close the deal at a lesser amount and you'll make your profit.

Recap of the Thought Process

1. Find out what the owner wants to accomplish with the property
2. If the owner wants to sell the property, see what liens or mortgages encumber the property
3. By listening to the seller's situation, determine if it's likely the seller just wants to get out from under the property and will take a small cash payment for the property, or sell it for a few thousand dollars.
4. If the seller will part with the property for a few thousand dollars or less, get a purchase agreement to him similar to the one found in the DeedGrabber ebook, and investigate the property as shown there.
5. If the seller wants more for the property than you're willing or able to pay, or if your research shows that paying even a few thousand dollars for the property would be risky, try to get the seller to option it to you for any reasonable price using the script above.
6. Market the property through any means available including Realtors using Coach Mitch's option
7. When an offer comes in for above your option price, close the deal with a double closing. If an offer comes in for less than your option price, see if the seller will come down in price so you can make a profit. If not, at least try to get the option price down somewhat.

Full details on profiting from options are contained in Coach Mitch's material at http://www.deedgrabber.com/coach-mitch if you want to option property.

Getting Your Check

You can cash out of the tax-delinquent property you buy similarly to property you get DeedGrabbing – just get your title report, record your deed, and list it with a Realtor.

However, in many cases, selling the properties you get by offering owner financing may make a lot more sense. If you get a property for a couple thousand dollars or less, and don't have to pay the taxes right away, you will get a faster sale, and for a higher selling price, by offering owner financing to your buyers.

The down payment you can receive will often be sufficient to catch up the delinquent taxes and reimburse most or all of your investment in the property. Then you can collect monthly payments for years to come.

I recently did a little deal in Indianapolis just like this. The owner wanted $2000 for the property but I saw that properties in the area were selling for only about $7,000 - $10,000. I didn't want to risk losing my $2,000, so I first advertised the property for $10,000 with $2,000 down and monthly payments of $200.

I quickly found a buyer, since I was offering financing, and used his $2000 to pay the seller in full for the property, then I used the next few payment he made to pay off the delinquent taxes. Now I have $200 coming in on that property every month for the next 4 years.

Did I get rich from that deal? No. But it only took a couple hours of my time and I don't mind getting that $200 check every month from a deal I would have passed on otherwise. And if the buyer stops making payments, I'll just sell the property the same way to someone else.

If you choose to get options on a lot of properties in your area, you'll soon be able to run an online ad or newspaper ad that goes something like this:

"Investor Must Liquidate Dozens of Properties – All Property Types 219-555-1212". Since you'll have many of properties in your inventory to choose from when someone calls, you can show the callers the properties you have optioned that fit their needs.

There are dozens of ways to market properties, which you can easily learn about for free online. And with the luxury of time you'll have when working tax-delinquent properties, many more of these methods will be open to you.

Conclusion

I hope the addition of this section has opened your eyes to the additional opportunities to profit from tax-delinquent real estate, in addition to chasing the last-minute deals (still my favorite though!)

Now you can work all year round, even if your state only has a tax sale deadline once a year, and choose from different strategies to pursue tax-delinquent property.

You can hone in on those owners losing their property soon, and target a few of them to pursue intensively.

And you can get lists of thousands of tax-delinquent properties, and farm the list to get dozens of properties tied up with little or no money out of your pocket. The choice is yours.

Either way, get some letters out, call some owners, and let me know how you're doing!

-Rick Dawson

The DeedGrabber

Appendix 1

Selections from the Tax Sale Statute – Indiana

IC 6-1.1-24

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

IC 6-1.1-24-1

Delinquent list

Sec. 1. (a) On or before July 1 of each year or fifty-one (51) days after the tax payment due date, the county treasurer (or county executive, in the case of property described in subdivision (2)) shall certify to the county auditor a list of real property on which any of the following exist:

(1) In the case of real property other than real property described in subdivision (2), any 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 as determined under IC 6-1.1-37-10.

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

(A) vacant; or

(B) abandoned;

any property taxes or special assessments from the prior year's fall installment or before that are delinquent as determined under IC 6-1.1-37-10. The county executive must make a certification under this subdivision not later than sixty-one (61) days before the earliest date on which application for judgment and order for sale may be made.

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

(b) The county auditor shall maintain a list of all real property eligible for sale. Unless the taxpayer pays to the county treasurer the amounts in subsection (a), the taxpayer's property shall remain on the list. The list must:

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

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

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

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

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

IC 6-1.1-24-4.7
Judgment and order of sale; defense; form of judgment and order; jurisdiction; official irregularities

Sec. 4.7. (a) No later than fifteen (15) days before the advertised date of the tax sale, the court shall examine the list of tracts and real property as provided under section 4.6 of this chapter. No later than three (3) days before the advertised date of the tax sale, the court shall enter judgment for those taxes, special assessments, penalties, and costs that appear to be due. This judgment is considered as a judgment against each tract or item of real property for each kind of tax, special assessment, penalty, or cost included in it. The affidavit provided under section 4.6 of this chapter is prima facie evidence of delinquency for purposes of proceedings under this section. The court shall also direct the clerk to prepare and enter an order for the sale of those tracts and real property against which judgment is entered.

(b) Not later than seven (7) days before the advertised date of the tax sale, the court shall conduct a hearing. At the hearing, the court shall hear any defense offered by any person interested in any of the tracts or items of real property to the entry of judgment against them, hear and determine the matter in a summary manner, without pleadings, and enter its judgment. The court shall enter a judgment under this subsection not later than three (3) days before the advertised date of the tax sale. The objection must be in writing, and no person may offer any defense unless the writing specifying the objection is accompanied by an original or a duplicate tax receipt or other supporting documentation. At least seven (7) days before the date set for the hearing, notice of the date, time, and place of the hearing shall be provided by the court to any person filing a defense to the application for judgment and order of sale.

(c) If judgment is entered in favor of the respondent under these proceedings or if judgment is not entered for any particular tract, part of a tract, or items of real property because of an unresolved objection made under subsection (b), the court shall remove those tracts, parts of tracts, or items of real property from the list of tracts and real property provided under section 4.6 of this chapter.

(d) A judgment and order for sale shall contain the final listing of affected properties and the name of at least one (1) of the owners of each tract or item of real property, and shall substantially follow this

form:

"Whereas, notice has been given of the intended application for a judgment against these tracts and real property, and no sufficient defense has been made or cause has been shown why judgment should not be entered against these tracts for taxes, and real property special assessments, penalties, and costs due and unpaid on them, therefore it is considered by the court that judgment is hereby entered against the below listed tracts and real property in favor of the state of Indiana for the amount of taxes, special assessments, penalties, and costs due severally on them; and it is ordered by the court that the several tracts or items of real property be sold as the law directs. Payments for taxes, special assessments, penalties, and costs made after this judgment but before the sale shall reduce the judgment accordingly.".

(e) The order of the court constitutes the list of tracts and real property that shall be offered for sale under section 5 of this chapter.

(f) The court that enters judgment under this section shall retain exclusive continuing supervisory jurisdiction over all matters and claims relating to the tax sale.

(g) No error or informality in the proceedings of any of the officers connected with the assessment, levying, or collection of the taxes that does not affect the substantial justice of the tax itself shall invalidate or in any manner affect the tax or the assessment, levying, or collection of the tax.

(h) Any irregularity, informality, omission, or defective act of one (1) or more officers connected with the assessment or levying of the taxes may be, in the discretion of the court, corrected, supplied, and made to conform to law by the court, or by the officer (in the presence of the court).

As added by P.L.83-1989, SEC.10. Amended by P.L.50-1990, SEC.8; P.L.39-1994, SEC.8; P.L.169-2006, SEC.20.

IC 6-1.1-24-5

Conduct of sale; parcels subject to sale; minimum sale price; sale of vacant or abandoned property; sale by electronic means

Sec. 5. (a) When a tract or an item of real property is subject to sale under this chapter, it must be sold in compliance with this section.

(b) The sale must:

(1) be held at the times and place stated in the notice of sale; and

(2) not extend beyond one hundred seventy-one (171) days after the list containing the tract or item of real property is certified to the county auditor.

(c) A tract or an item of real property may not be sold under this chapter to collect:

(1) delinquent personal property taxes; or

(2) taxes or special assessments which are chargeable to other real property.

(d) A tract or an item of real property may not be sold under this chapter if all the delinquent taxes, penalties, and special assessments on the tract or an item of real property and the amount prescribed by section 2(a)(3)(D) of this chapter, reflecting the costs incurred by the county due to the sale, are paid before the time of sale.

(e) The county treasurer shall sell the tract or real property, subject to the right of redemption, to the highest bidder at public auction. However, a tract or an item of real property may not be sold for an amount which is less than the sum of:

(1) the delinquent taxes and special assessments on each tract or item of real property;

(2) the taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, regardless of whether the taxes and special assessments are delinquent;

(3) all penalties which are due on the delinquencies;

(4) the amount prescribed by section 2(a)(3)(D) of this chapter reflecting the costs incurred by the county due to the sale;

(5) any unpaid costs which are due under section 2(b) of this chapter from a prior tax sale; and

(6) other reasonable expenses of collection, including title search expenses, uniform

commercial code expenses, and reasonable attorney's fees incurred by the date of the sale.

(f) For purposes of the sale, it is not necessary for the county treasurer to first attempt to collect the real property taxes or special assessments out of the personal property of the owner of the tract or real property.

(g) The county auditor shall serve as the clerk of the sale.

(h) Real property certified to the county auditor under section 1(a)(2) of this chapter must be offered for sale in a different phase of the tax sale or on a different day of the tax sale than the phase or day during which other real property is offered for sale.

(i) The public auction required under subsection (e) may be conducted by electronic means, at the option of the county treasurer. The electronic sale must comply with the other statutory requirements of this section. If an electronic sale is conducted under this subsection, the county treasurer shall provide access to the electronic sale by providing computer terminals open to the public at a designated location. A county treasurer who elects to conduct an electronic sale may receive electronic payments and establish rules necessary to secure the payments in a timely fashion. The county treasurer may not add an additional cost of sale charge to a parcel for the purpose of conducting the electronic sale.

IC 6-1.1-25-2
Amount required for redemption

Sec. 2. (a) The total amount of money required for the redemption of real property equals:

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

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

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

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

(1) one hundred ten percent (110%) of the minimum bid for which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed not more than six (6) months after the date of sale; or

(2) one hundred fifteen percent (115%) of the minimum bid for which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed more than six (6) months but not more than one (1) year after the date of sale.

(c) Except as provided in subsection (f), in addition to the amount required under subsection (b), the total amount required for redemption includes the amount by which the purchase price exceeds the minimum bid on the real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid on the property.

(d) Except as provided in subsection (f), in addition to the amount required under subsections (b) and (c), the total amount required for redemption includes all taxes and special assessments upon the property paid by the purchaser after the sale plus ten percent (10%) interest per annum on those taxes and special assessments.

(e) Except as provided in subsection (f), in addition to the amounts required under subsections (b), (c), and (d), the total amount

required for redemption includes the following costs, if certified before redemption and not earlier than thirty (30) days after the date of sale of the property being redeemed by the payor to the county auditor on a form prescribed by the state board of accounts, that were incurred and paid by the purchaser, the purchaser's assignee, or the county, before redemption:

(1) The attorney's fees and costs of giving notice under section 4.5 of this chapter.

(2) The costs of a title search or of examining and updating the abstract of title for the tract or item of real property.

(f) With respect to a tract or item of real property redeemed under section 4(c) of this chapter, instead of the amounts stated in subsections (b) through (e), the total amount required for redemption is the amount determined under IC 6-1.1-24-6.1(b)(4).

IC 6-1.1-25-4

Period for redemption; tax deed; limitations on expectation of tax deed; county auditor removal of taxes from tax duplicate

Sec. 4. (a) The period for redemption of real property sold under IC 6-1.1-24 is:

(1) one (1) year after the date of sale;

(2) one hundred twenty (120) days after the date of sale to a purchasing agency qualified under IC 36-7-17; or

(3) one hundred twenty (120) days after the date of sale of real property on the list prepared under IC 6-1.1-24-1(a)(2) or IC 6-1.1-24-1.5.

(b) The period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is not sold under IC 6-1.1-24-6.1;

is one hundred twenty (120) days after the date the county executive acquires the lien under IC 6-1.1-24-6.

(c) The period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is sold under IC 6-1.1-24;

is one hundred twenty (120) days after the date of sale of the certificate of sale under IC 6-1.1-24.

(d) When a deed for real property is executed under this chapter, the county auditor shall cancel the certificate of sale and file the canceled certificate in the office of the county auditor. If real property that appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale and an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e) is not received, the county auditor shall issue a deed to the real property, subject to this chapter.

(e) When a deed is issued to a county executive under this chapter, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.

(f) A tax deed executed under this chapter 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 which accrue subsequent to the sale and which are not removed under subsection (e). However, the estate is subject to:

(1) all easements, covenants, declarations, and other deed restrictions shown by public records;

(2) laws, ordinances, and regulations concerning governmental police powers, including zoning, building, land use, improvements on the land, land division, and environmental

protection; and

(3) liens and encumbrances created or suffered by the grantee.

(g) A tax deed executed under this chapter is prima facie evidence of:

(1) the regularity of the sale of the real property described in the deed;

(2) the regularity of all proper proceedings; and

(3) valid title in fee simple in the grantee of the deed.

(h) A county auditor is not required to execute a deed to the county executive under this chapter if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. The county executive may enter the property to conduct environmental investigations.

(i) If the county executive makes the determination under subsection (h) as to any interest in an oil or gas lease or separate mineral rights, the county treasurer shall certify all delinquent taxes, interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk, following the procedures in IC 6-1.1-23-9. After the date of the county treasurer's certification, the certified amount is subject to collection as delinquent personal property taxes under IC 6-1.1-23. Notwithstanding IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an interest shall be zero (0) until production commences.

(j) When a deed is issued to a purchaser of a certificate of sale sold under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that taxes are removed by certificate of error, remove from the tax duplicate the taxes, special assessments, interest, penalties, and costs remaining due as the difference between the amount of the last minimum bid under IC 6-1.1-24-5(e) and the amount paid for the certificate of sale.

IC 6-1.1-25-4.5

Entitlement to tax deed under various circumstances; notice or requirements; reversion of certificate of sale to county

Sec. 4.5. (a) Except as provided in subsection (d), a purchaser or the purchaser's assignee is entitled to a tax deed to the property that was sold only if:

(1) the redemption period specified in section 4(a)(1) of this chapter has expired;

(2) the property has not been redeemed within the period of redemption specified in section 4(a) of this chapter; and

---

(3) not later than nine (9) months after the date of the sale:

(A) the purchaser or the purchaser's assignee; or

(B) in a county where the county auditor and county treasurer have an agreement under section 4.7 of this chapter, the county auditor;

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

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

(1) the redemption period specified in section 4(b) of this chapter has expired;

(2) the property has not been redeemed within the period of redemption specified in section 4(b) of this chapter; and

(3) not later than ninety (90) days after the date the county executive acquires the lien under IC 6-1.1-24-6, the county auditor gives notice of the sale to:

(A) the owner of record at the time the lien was acquired; and

(B) any person with a substantial property interest of public record in the tract or real property.

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

(1) the redemption period specified in section 4(c) of this chapter has expired;

(2) the property has not been redeemed within the period of redemption specified in section 4(c) of this chapter; and

(3) not later than ninety (90) days after the date of sale of the certificate of sale under IC 6-1.1-24, the purchaser gives notice of the sale to:

(A) the owner of record at the time of the sale; and

(B) any person with a substantial property interest of public record in the tract or real property.

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

(1) the owner of record at the time of the:

(A) sale of the property;

(B) acquisition of the lien on the property under IC 6-1.1-24-6; or

(C) sale of the certificate of sale on the property under IC 6-1.1-24;

at the last address of the owner for the property, as indicated in the records of the county auditor; and

(2) any person with a substantial property interest of public record at the address for the person included in the public record that indicates the interest.

However, if the address of the person with a substantial property interest of public record is not indicated in the public record that created the interest and cannot be located by ordinary means by the person required to give the notice under subsection (a), (b), or (c), the person may give notice by publication in accordance with IC 5-3-1-4 once each week for three (3) consecutive weeks.

(e) The notice that this section requires shall contain at least the following:

(1) A statement that a petition for a tax deed will be filed on or after a specified date.

(2) The date on or after which the petitioner intends to petition for a tax deed to be issued.

(3) A description of the tract or real property shown on the certificate of sale.

(4) The date the tract or real property was sold at a tax sale.

(5) The name of the:

(A) purchaser or purchaser's assignee;

(B) county executive that acquired the lien on the property under IC 6-1.1-24-6; or

(C) person that purchased the certificate of sale on the property under IC 6-1.1-24.

(6) A statement that any person may redeem the tract or real property.

(7) The components of the amount required to redeem the tract or real property.

(8) A statement that an entity identified in subdivision (5) is entitled to reimbursement for additional taxes or special assessments on the tract or real property that were paid by the entity subsequent to the tax sale, lien acquisition, or purchase of the certificate of sale, and before redemption, plus interest.

(9) A statement that the tract or real property has not been redeemed.

(10) A statement that an entity identified in subdivision (5) is entitled to receive a deed for the tract or real property if it is not redeemed before the expiration of the period of redemption specified in section 4 of this chapter.

(11) A statement that an entity identified in subdivision (5) is entitled to reimbursement for costs described in section 2(e) of this chapter.

(12) The date of expiration of the period of redemption specified in section 4 of this chapter.

(13) A statement that if the property is not redeemed, the owner of record at the time the tax deed is issued may have a right to the tax sale surplus, if any.

(14) The street address, if any, or a common description of the tract or real property.

(15) The key number or parcel number of the tract or real property.

(f) The notice under this section must include not more than one (1) tract or item of real property listed and sold in one (1)

description. However, when more than one (1) tract or item of real property is owned by one (1) person, all of the tracts or real property that are owned by that person may be included in one (1) notice.

(g) A single notice under this section may be used to notify joint owners of record at the last address of the joint owners for the property sold, as indicated in the records of the county auditor.

(h) The notice required by this section is considered sufficient if the notice is mailed to the address required under subsection (d).

(i) The notice under this section and the notice under section 4.6 of this chapter are not required for persons in possession not shown in the public records.

(j) If the purchaser fails to:

(1) comply with subsection (c)(3); or

(2) petition for the issuance of a tax deed within the time permitted under section 4.6(a) of this chapter;

the certificate of sale reverts to the county executive and may be retained by the county executive or sold under IC 6-1.1-24-6.1.

IC 6-1.1-25-8
Tax sale record

Sec. 8. Each county auditor shall maintain a tax sale record on the form prescribed by the state board of accounts. The record shall

contain:

(1) a description of each parcel of real property:

(A) that is sold under IC 6-1.1-24;

(B) on which a county acquires a lien under IC 6-1.1-24-6; or

(C) for which a certificate of sale is purchased under IC 6-1.1-24;

(2) the name of the owner of the real property at the time of the:

(A) sale;

(B) lien acquisition; or

(C) certificate of sale purchase;

(3) the date of the:

(A) sale;

(B) lien acquisition; or
(C) certificate of sale purchase;
(4) the name and mailing address of the:
(A) purchaser of the property and the purchaser's assignee; or
(B) purchaser of the certificate of sale;
(5) the amount of the minimum bid;
(6) the amount for which the:
(A) real property; or
(B) certificate of sale;
is sold;
(7) the amount of any taxes paid by the:
(A) purchaser of the real property or the purchaser's assignee; or
(B) purchaser of the certificate of sale;
and the date of the payment;
(8) the amount of any costs certified to the county auditor under section 2(e) of this chapter and the date of the certification;
(9) the name of the person, if any, who redeems the property;
(10) the date of redemption;
(11) the amount for which the property is redeemed;
(12) the date a deed, if any, to the real property is executed; and
(13) the name of the grantee in the deed.

Appendix 2

Sample Tax Sale Record – Indiana

Page 1 of 2

2007 DELINQUENT PROPERTY TAX SALE RECORD

SALE #:	20270285	CERTIFICATE #:	20270285
PROPERTY ID #:	20012-06-09-376-003	CERTIFIED MAIL #:	71797891348200021335

PROPERTY ADDRESS:
[illegible]

LEGAL1:
ALLENDALE LOT 268

OWNER NAME AND ADDRESS:
[illegible]
[illegible]
ELKHART IN 46516

BUYER NAME AND ADDRESS:
U.S. Bank-Cust/Sass Muni V dtr
TAX LIEN SERVICES GROUP
2 LIBERTY PLACE 50 SOUTH 16TH ST. SUITE 1950
Philadelphia PA 19102

ASSESSED VALUE:		$0.00
DELQUNT TAX,PEN & SPEC ASSMNT		$1,588.70
FALL INST. TAX AND SPEC ASSMNT		$535.69
COST OF SALE:		$100.00
MINIMUM SALE PRICE:		$2,224.39
STATUS:	10/29/2007	SOLD
DATE SOLD:		10/29/2007
AMOUNT OF SALE:		$50,000.00

SUBSEQUENT TAXES PAID:

DATE:	AMT:	$0.00	INT:	$0.00	
DATE:	AMT:	$0.00	INT:	$0.00	
DATE:	AMT:	$0.00	INT:	$0.00	
DATE:	AMT:	$0.00	INT:	$0.00	

FORM 137B COSTS:

TITLE SEARCH	04/25/2008	$200.00
TITLE SEARCH2		$0.00
NOTIFY COSTS	04/25/2008	$350.00
NOTIFY COSTS2		$0.00

WARRANT 2:

NO:	DATE:	AMT:	$0.00

TO WHOM PAID

OTHER COSTS FOR REDEMPTION

DESCRIPTION	AMOUNT	BUYER OWNER BOTH
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	

PAYMENT OF REDEMPTION:
WARRANT 1:

NO:	DATE:	AMT:	$0.00

ASSSIGNMENT INFORMATION:
DATE:
NAME OF ASSIGNEE

DEED INFORMATION:
DATE:
NAME OF GRANTEE:

DAILY INTEREST AMOUNT ON:

SUB.TAXES:	$ 0.0000
	$ 0.0000
	$ 0.0000
	$ 0.0000

REDEMPTION INFORMATION:

STAT PCT	$0.00	INTEREST:	$0.00
REDEMPTION AMOUNT	$0.00		
DATE		QUIETUS NUM:	
BY WHOM			