



**Marion County Commissioners
SEA 62 Nonprofit Housing Program
Guidance and Policy Document
For the 2025 Nonprofit Tax Sale**

July 7, 2025

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Introduction

On March 15, 2022, Indiana Governor Eric Holcomb signed SEA 62 into law, which provides a framework for certain nonprofit entities to exclusively participate in a segment of the annual property tax lien sale with the express purpose to increase owner-occupied homeownership opportunities for low- and moderate-income individuals and families (the Program). The property tax lien sale, held through the cooperative effort of the Marion County Auditor's Office and the Marion County Treasurer's Office, is governed under I.C. 6-1.1-24 and entails the sale of liens on real property when taxes or special assessments become delinquent.

The new law, effective July 1, 2022, authorizes the Marion County Commissioners (the "Commissioners") to conditionally provide that a segment of the property tax lien sale be held only for nonprofit entities which apply and are deemed eligible to participate. To be clear, nonprofits can participate in all segments of a property tax lien sale, but the segment authorized under the new law is **only** for eligible nonprofit entities. Properties acquired by a nonprofit under this new law are subject to certain requirements. However, nonprofit entities acquiring properties through other segments of the property tax lien sale are not subject to the same provisions which apply to the nonprofit segment.

While a nonprofit will have a specific segment of the tax sale designated for their participation, the remaining provisions of the tax lien sale code (redemption, notice provisions and other key components) are not impacted by the new law and are in effect for all nonprofits participating in the sale.

This Guidance and Policy Document is designed to provide a framework for the Commissioners to utilize to implement the law, as well as provide guidance, documents and requirements for nonprofits to participate.

Please direct any questions to the Marion County Treasurer's Office at 317-327-4031.

Nonprofit Eligibility

To be eligible for participation in the authorized tax sale segment, a nonprofit must meet certain criteria as outlined in the law, as well as criteria implemented by the Commissioners. In general, a nonprofit must:

- be an organization exempt from federal income tax under 26 U.S.C 501(c)(3) and provide such evidence;
- have been organized and in operation for at least 5 years;

- must have a focus on the acquisition of real property to stabilize and provide future homeownership opportunities to individuals or families not otherwise financially capable of purchasing a home;
- have the organizational capacity and experience to undertake and complete community development projects;
- have each year of the immediately preceding two (2) years, rehabilitated and transferred at least one (1) family dwelling to a low- or moderate-income household for use as a residence;
- have their local or regional headquarters based in Marion County with at least 50% of the board membership comprised of Marion County residents;
- submit an application in the form and substance required by the Commissioners, which includes a letter signed by the nonprofit board chairperson.

Property Eligibility

Provisions in state law and this general guidance specifically outline which parcels are eligible to be included in the nonprofit segment of the property tax lien sale. This includes:

- Marion County certifies a list of parcels eligible for tax sale on or about July 1st of each year. The State law specifically limits that no more than 5% of the total parcels certified for any tax sale may be made available for sale to eligible nonprofit entities in any sale.
- Parcels that have been identified for participation in a set-off program (TREC) as authorized under IC 6-8.1-9.5 are not eligible for the nonprofit segment of the sale. These properties are generally not included on the list of parcels certified, however.
- Parcels that have a homestead deduction are **NOT** eligible for the nonprofit segment of the property tax lien sale. Only parcels that **DO NOT HAVE A HOMESTEAD DEDUCTION** are eligible for the nonprofit segment.
- To be eligible, a parcel must have been certified and offered for sale at two (2) prior property tax lien sales.

Application and Auction Information

All nonprofit entities interested in participating in the Program must submit an application and all required documents for consideration at least 45 days in advance of the advertised date of the sale. The application is designed to provide essential information for the Commissioners' consideration and information outlined in the law.

In addition to the application process, a nonprofit entity wishing to participate in the tax sale auction must also follow the guidelines and procedures for registering for the property tax lien sale, held virtually, and becoming an authorized bidder at the sale. The application is attached to this Guidance and Policy Document. All relevant information and documents are available at:

<https://liveauctions.govease.com/PublicPortal/RegistrationDetail?AuctionID=1319&Edit=False>

The application should be submitted through the portal available at the above GovEase link.

Once the Commissioners review the application and information submitted, they will notify the nonprofit as to their decision and whether the nonprofit has been approved to participate in the nonprofit segment of the property tax lien sale.

General Information

- Property owners whose parcels have been certified for the property tax lien sale can pay their taxes and be removed from the certified list at any time in the process, up to and including the date the parcel is to be auctioned. If a parcel is sold at the property tax lien sale, the property owner has one (1) year from the date of sale to redeem the property by paying the amount due. The nonprofit is responsible for the ongoing property tax payments.
- During the one-year redemption period, if the parcel is occupied, the nonprofit shall respect the rights of the property owners and occupants and not interfere with their use and enjoyment of the parcel. However, if the parcel remains vacant during the redemption period, the nonprofit can secure the dwelling's windows and doors and perform external maintenance (i.e. cut the grass, rehang gutters and downspouts, remove debris and trash).
- Any parcel acquired by a nonprofit entity shall be used specifically for owner-occupied low- to moderate-income housing. No rental, market-based or other type of non-owner-occupied housing is allowed or will be considered. If an eligible nonprofit entity uses a parcel acquired through this program for any purpose other than owner-occupied low- to moderate-income housing, the parcel is subject to forfeiture and will transfer to county ownership for disposition.

In the event the property transfers to the County due to the nonprofit entity failing to comply with any of the terms and conditions set forth by the Commissioners, that nonprofit entity shall be deemed an ineligible purchaser through this program.

- If a parcel sold at the property tax lien sale is acquired by a nonprofit under the Program and is not redeemed within the one-year timeframe, the nonprofit entity will enter into a Nonprofit Project Agreement with the Commissioners outlining the timing, scope and other relevant information of the housing renovation/development. A sample Project Agreement will be provided at a future point in time.
- Right of First Refusal: Under the terms of the law, if a nonprofit participating in the Program obtains a tax deed after the expiration of the redemption period, the nonprofit upon completion of any development shall first offer the current occupant of the parcel the opportunity to purchase the parcel, so long as the use is consistent with the Program.
- Progress reports will be due to the Commissioners at twelve (12), eighteen (18) and twenty-four (24) months from the time of execution of a Nonprofit Project Agreement. The Commissioners require that all costs of renovation be noted, and proof of these renovations will be required.
- The acquisition of any property through this Program does not exempt the property from taxation. The Marion County Treasurer's office does not guarantee a property will be tax exempt upon title transfer. If a nonprofit entity wishes to seek an exemption, they shall file their application for exemption with the Marion County Assessor's Office.
- The parcel owner has a redemption period of one year from date of purchase. If an eligible nonprofit entity takes possession of a tax sale certificate under this law, the eligible nonprofit acquires the same rights and obligations as any purchaser under section 6.1 of the code.
- If a property is purchased by a nonprofit at a property tax lien sale under the Program and the property is redeemed before the redemption date, the nonprofit will have no further obligation under the law and is released from all obligation to develop the property or complete a project.
- All properties are sold on an AS IS condition. The County assumes no responsibility for any change in condition of the property from the time the property is requested to the time the property is titled over to the nonprofit.
- The Treasurer's Office will reference all properties by parcel number only. Please check the accuracy of these numbers to the address(es) you are requesting. The full listing of eligible properties can be found upon certification on the Marion County Commissioners' Web Site. All parcel numbers are listed with their corresponding address.

<https://www.indy.gov/agency/marion-county-commissioners> - click on the 'Prepare for Tax Sale' service & information card.

- If a parcel available in the nonprofit portion of the tax lien sale fails to sell, the parcel shall be offered next in the public portion of the tax lien sale auction, specifically for the township in which the parcel is located.

If the parcel originating in the nonprofit portion of the sale also fails to sell in the public portion, the parcel shall then be reoffered in the unsold properties portion of the sale, consistent with normal practice for the auction.

- **The Marion County Board of Commissioners DOES NOT warrant that these properties are free and clear of all encumbrances, easements, encroachments, judgments, liens, right-of-way restrictions. All buyers are encouraged to hire a real estate attorney to perform a quiet title action to remove all liens, judgments, etc.**
- All renovation must be completed within a two-year project period following the redemption period and meet all standards required by the Department of Business and Neighborhood Services and the Health and Hospital Corporation of Marion County. Extensions of the two-year project period can be made when mutually agreed upon by the nonprofit and the Commissioners.

Closing

Thank you for your interest and consideration of the Program. Should you have any questions, need clarification or additional information, please contact the Marion County Treasurer's Office at 317-327-4031 or MCTO-Nonprofit@indy.gov.