

ABSENTEE PROPERTY OWNERS 101

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS
TOOLKIT



What is Indiana Main Street?

- Since 1985, the Indiana Main Street Program has been helping communities revitalize the economy, appearance, and image of their downtown commercial districts using the National Main Street Center's successful 4 Point Approach™.
- The Indiana Main Street Program is managed by the Indiana Office of Community and Rural Affairs (OCRA.)
- For more information on the Indiana Main Street program, visit our website [here](#).
- Follow us on social media for more!



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Issue Overview: Absentee Property Owners

- Absentee Property Owners (APOs) are those who own a real estate property without actually occupying or actively managing it
- This toolkit provides concise information on best practices and tips for managing relationships with absentee property owners (APOs).



Legal Considerations

- The information provided in this toolkit does not, and is not intended to, constitute legal advice; instead, all information, content, and materials available are for general informational purposes only.
- Readers of this toolkit should contact local counsel to obtain advice with respect to any particular legal matter. No reader should act or refrain from acting on the basis of information in this toolkit without first seeking legal advice from counsel.

Issue Overview: Why action matters

- Vacant properties can undermine the physical health of area properties through unsanitary conditions and the potential for injury.
- Blighted and abandoned properties decrease surrounding property values, harm the health of local housing markets, and reduce local tax revenue.
- Successful initiatives to address these issues can spur profound growth and improved sense of place in our communities.



Warsaw, IN

Potential Remedies

- Outreach to Property Owner
- Creation of Land Trusts
- Code Enforcement Coalitions
- Condemnation Proceedings
- Indiana Unsafe Building Law
- Vacant Property Receivership



Anderson, Indiana

Remedies: Outreach to APO

- The first step may be to simply communicate with the absentee property owner. This may be a friendly communication to offer assistance and check in, or it may be a more stern letter that outlines complaints against the APO.
- If the APO's property is in disarray, this may indicate that they no longer have use for, or are no longer interested in, owning the property and they may be looking to sell. Consider working with your local real estate broker to survey interest in local property ownership.
- See here for an sample letter encouraging minimum maintenance.
- If the responsible party does not respond, the city may notify the owner that the city plans to do the work itself and bill the owner for the costs - this often solicits a response because it will likely cost less for the owner to do the work itself versus paying the municipality.
- Note: See [IC-36-7-36](#) for guidance on fines that can be assessed against property owners for leaving properties abandoned or vacant for at least 90 days.

Remedies: Creation of Local Land Trust

- Land Trusts are quasi-governmental entities created by municipalities to effectively manage and repurpose underused, abandoned, or foreclosed properties.
- A land trust is a legal entity whose sole purpose is to hold title to real estate.
- Commercial land trusts bring tax-delinquent commercial properties in downtown areas back to local private ownership and active use.
- The benefits of land trusts include ease of transfer between parties and the ease of control by multiple owners.
- Main Street Communities could create land trusts to hold delinquent properties and hold them to find a suitable owner who serves the objectives of the Main Street's strategic goals.
- Consult local legal counsel to begin process of creating a land trust.

Remedies: Code Enforcement

- **Code enforcement** is the combination of strategies and procedures that local governments deploy to comply with state and local housing, building, zoning, and land use codes
- Upon receiving a complaint, a Code Enforcement Officer or group will inspect the site to confirm the alleged violations. The Officer will contact the property owner to explain the violation and suggest solution. Those who do not respond or make an effort to remedy the issue will receive additional notices followed by citations.
- Step 1: Explore your city or town's municipal code - are downtown properties in violation of this code? Collaborate with city government to identify who serves as an enforcer of local code.
- Step 2: Create a portal (in person or online) to receive complaints of local or downtown code violations. Determine an individual to monitor this portal for complaints, such as a town planner or a municipal government official.

Sample Code Enforcement Portal

[Other Examples:](#)

[Sound Bend, IN Code Enforcement](#)

[Speedway, IN Code Enforcement](#)

Code Enforcement - General Information

Required information is indicated with an asterisk (*).

Complaint Type: *

Please select the complaint type that most closely describes your Complaint.

Describe in detail the nature of your *
complaint and the alleged violation:

Please enter a description of the *
locality of your complaint that will allow
the inspector to easily find the
violation:

Please note, if you know the address of the violation you will be asked to select this later in the process. This information is for the actual place(s) on that address where the violation exists.

Remedies: Condemnation Proceedings

- To condemn a property is to exercise the power of eminent domain.
- The person condemning may acquire a piece of property if the property constitutes a public nuisance, is unfit for human habitation, or is a hazard to public health.
- Consider working with municipal counsel to exercise eminent domain and condemn the property.
- See [IC 32-24-2](#) for more information on acquisition of property through condemnation.

Remedies: Indiana Unsafe Building Law

- Indiana's Unsafe Building Law ([IC 36-7-9](#)) applies to any municipality or county that adopts the the chapter by ordinance.
- The Unsafe Building Law allows local governmental bodies to adopt maintenance and repair standards to govern vacant and deteriorated structures that are public nuisances.
- The law also allows for the appointment of a vacant property receiver to accomplish the necessary repairs to the property. See next page for information on vacant property receiverships.
- See [South Bend's municipal code](#), which was amended to include Vacant Building Maintenance and Registration language.

Remedies: Vacant Property Receivership

- **What it is:** where a city or non-profit (like Main Street) wants to make sure a particular vacant or unmaintained building is preserved, vacant property receivership allows properties to be rehabilitated whereupon the owner may be able to regain control by repaying the receiver for their rehabilitation costs.
- **How it works:** The municipality or a qualified non-profit applies to the court to be appointed the receiver of the property. If appointed, the organization may remove trash, debris, and other materials and rehab the building to bring it up to code.

Additional Notes

- In any effort to communicate and work with APOs, it will be incredibly important to work closely with city or town government.
- Some remedies including taxation and code enforcement may require advocacy at the local level for changes in municipal code.
- It may be a good idea to take a look at your local code to understand the rights and expectations of property owners in your city or town.
- Consult with local legal counsel before moving forward with legal type remedies such as creation of a land trust or condemnation of a property.
- The remedies listed in previous slides are not one size fits all, and no one remedy will completely solve issues with APOs. Reviewing each situation on a case-by-case basis is imperative. It will take creativity and perhaps trial and error to find the perfect mix of remedies to create a long term solution!

Questions?

Visit www.in.gov.ocra/mainstreet or contact your [OCRA Community Liaison](#).

Sources Cited and Additional Resources

- [More than Just an Eyesore: Local Insights and Solutions on Vacant Land](#)
- [The Center for Community Progress: Resources Page](#)
- [Abandoned Housing Strategies 101](#)
- [Dealing with Problem Property Owners](#)
- [Vacant Properties: Turning Liabilities into Assets](#)
- [Tools for Transforming Blighted Properties into Community Assets](#)



Richmond, IN