

1 HB349
2 157948-8
3 By Representative Hill
4 RFD: County and Municipal Government
5 First Read: 22-JAN-14

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ENROLLED, An Act,

To amend Section 40-10-28, Code of Alabama 1975, as amended by Act 2013-370, 2013 Regular Session, to provide that a person or entity entitled to redeem property purchased at a tax sale who has reached a negotiated redemption agreement with or has purchased the property from the purchaser at the tax sale or the purchaser's successor in interest is entitled under certain conditions to the payment of the excess funds upon proof of the agreement or purchase.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-10-28, as amended by Act 2013-370, Code of Alabama 1975, 2013 Regular Session, is amended to read as follows:

"§40-10-28.

"(a) ~~(1) On and after August 1, 2013, the~~ The excess arising from the sale of any real estate ~~held on and after August 1, 2013,~~ remaining after paying the amount of the decree of sale, including costs and expenses subsequently accruing, shall be paid over to a person or entity who has redeemed the property as authorized in Section 40-10-120 or any other provisions of Alabama law authorizing redemption from a tax sale, provided proof that the person or entity requesting payment of the excess has properly redeemed the property is presented to the county commission within three

1 years after the tax sale has occurred. The county commission
2 may retain any interest earned on those funds. Until and
3 unless the property is redeemed, the excess funds from the tax
4 sale shall be held in a separate account in the county
5 treasury during the three-year period. If at the end of the
6 three-year period there has been no proper request for the
7 excess funds, those funds and any interest earned on those
8 funds shall be deposited to the credit of the general fund of
9 the county and shall thereafter be treated as part of the
10 general fund of the county. ~~At any time within 10 years after~~
11 ~~the tax sale has occurred, the county commission shall on~~
12 ~~proof made by any person or entity that the property has been~~
13 ~~properly redeemed by the person or entity under the general~~
14 ~~laws of the state, the county commission shall order the~~
15 ~~payment of the excess funds to such person or entity and~~
16 ~~retain any interest earned on those funds, but if not so~~
17 ~~ordered and paid within such time, the same shall become the~~
18 ~~property of the county. Following redemption, any excess funds~~
19 ~~including interest paid as required by this chapter, may be~~
20 ~~remitted to the tax sale purchaser pursuant to the procedures~~
21 ~~set forth in this chapter.~~

22 "(b)(2) The Department of Revenue shall promulgate
23 rules authorizing the county commission to issue a voucher in
24 the amount of the excess bid to a person or entity which has
25 paid all other costs of redemption as required herein in this

1 subdivision. The person or entity redeeming property may
2 present the voucher to the judge of probate in lieu of the
3 amount equal to the excess bid to complete the redemption
4 process. The rules promulgated by the department shall include
5 forms to be utilized for issuing such vouchers.

6 ~~"(b) For all tax sales held after August 1, 2013, at~~
7 At any time more than three years but within 10 years after a
8 tax sale, the excess funds arising from the sale shall be paid
9 to either of the following:

10 "(1) To any person or entity entitled to redeem
11 under Section 40-10-83, or any other provisions of law
12 authorizing redemption from the tax sale, upon proof of a
13 circuit court order granting redemption to the person or
14 entity.

15 "(2) To the owner of the land at the time of the tax
16 sale or a subsequent owner, upon proof provided to the tax
17 collector or other official performing those duties that the
18 land has been redeemed by negotiated agreement from the
19 purchaser at the tax sale or the purchaser's successor in
20 interest. Proof of negotiated redemption agreement shall
21 include the following:

22 "a. A copy of a properly recorded deed or conveyance
23 to the redeeming party executed by the party from whom
24 redemption was made.

1 "b. If the redeeming party was not the owner of the
2 land at the time of the tax sale, a copy of a properly
3 recorded deed or conveyance from the owner at the time of the
4 tax sale to the subsequent owner.

5 "c. If the party from whom redemption was made is a
6 successor in interest of the tax sale purchaser, a copy of a
7 properly recorded deed or conveyance from the tax sale
8 purchaser to the successor in interest.

9 "(c) Upon receipt of proof of redemption as required
10 in subsection (b), the county commission shall order the
11 payment of the excess funds as provided therein and retain any
12 interest earned on those funds. If proof of redemption is not
13 received within 10 years after the tax sale, the excess funds
14 and any interest earned on the funds shall become the property
15 of the county."

16 Section 2. This act shall become effective on the
17 first day of the third month following its passage and
18 approval by the Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 01-APR-14, as amended.

Jeff Woodard
Clerk

Senate

03-APR-14

Passed