

1 SB230
2 156622-2
3 By Senator Ward
4 RFD: Judiciary
5 First Read: 21-JAN-14

2
3
4
5
6
7
8 SYNOPSIS: This bill would provide that a person or
9 entity entitled to redeem property purchased at a
10 tax sale who has reached a negotiated redemption
11 agreement with or has purchased the property from
12 the purchaser at the tax sale or the purchaser's
13 successor in interest is entitled under certain
14 conditions to the payment of the excess funds upon
15 proof of the agreement or purchase.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT

20
21 To amend Section 40-10-28, Code of Alabama 1975, as
22 amended by Act 2013-370, 2013 Regular Session, to provide that
23 a person or entity entitled to redeem property purchased at a
24 tax sale who has reached a negotiated redemption agreement
25 with or has purchased the property from the purchaser at the
26 tax sale or the purchaser's successor in interest is entitled

1 under certain conditions to the payment of the excess funds
2 upon proof of the agreement or purchase.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-10-28, as amended by Act
5 2013-370, Code of Alabama 1975, 2013 Regular Session, is
6 amended to read as follows:

7 "§40-10-28.

8 "(a) ~~(1) On and after August 1, 2013, the~~ The excess
9 arising from the sale of any real estate held on and after
10 August 1, 2013, remaining after paying the amount of the
11 decree of sale, including costs and expenses subsequently
12 accruing, shall be paid over to a person or entity who has
13 redeemed the property as authorized in Section 40-10-120 or
14 any other provisions of Alabama law authorizing redemption
15 from a tax sale, provided proof that the person or entity
16 requesting payment of the excess has properly redeemed the
17 property is presented to the county commission within three
18 years after the tax sale has occurred. The county commission
19 may retain any interest earned on those funds. Until and
20 unless the property is redeemed, the excess funds from the tax
21 sale shall be held in a separate account in the county
22 treasury during the three-year period. If at the end of the
23 three-year period there has been no proper request for the
24 excess funds, those funds and any interest earned on those
25 funds shall be deposited to the credit of the general fund of
26 the county and shall thereafter be treated as part of the
27 general fund of the county. ~~At any time within 10 years after~~

1 ~~the tax sale has occurred, the county commission shall on~~
2 ~~proof made by any person or entity that the property has been~~
3 ~~properly redeemed by the person or entity under the general~~
4 ~~laws of the state, the county commission shall order the~~
5 ~~payment of the excess funds to such person or entity and~~
6 ~~retain any interest earned on those funds, but if not so~~
7 ~~ordered and paid within such time, the same shall become the~~
8 ~~property of the county. Following redemption, any excess funds~~
9 ~~including interest paid as required by this chapter, may be~~
10 ~~remitted to the tax sale purchaser pursuant to the procedures~~
11 ~~set forth in this chapter.~~

12 ~~"(b) (2)~~ The Department of Revenue shall promulgate
13 rules authorizing the county commission to issue a voucher in
14 the amount of the excess bid to a person or entity which has
15 paid all other costs of redemption as required ~~herein in this~~
16 subdivision. The person or entity redeeming property may
17 present the voucher to the judge of probate in lieu of the
18 amount equal to the excess bid to complete the redemption
19 process. The rules promulgated by the department shall include
20 forms to be utilized for issuing such vouchers.

21 ~~"(b) For all tax sales held after August 1, 2013, at~~
22 ~~any time more than three years but within 10 years after a tax~~
23 ~~sale, if any person or entity entitled to redeem under Section~~
24 ~~40-10-83 or any other provisions of Alabama law authorizing~~
25 ~~redemption from the tax sale presents proof either (1) that~~
26 ~~the property has been properly redeemed by the person or~~
27 ~~entity under that law or (2) that the person or entity~~

1 entitled to redeem has reached a negotiated redemption
2 agreement with or has purchased the property from the
3 purchaser at the tax sale or the purchaser's successor in
4 interest as evidenced by a written agreement or deed, the
5 county commission shall order the payment of the excess funds
6 as provided herein and retain any interest earned on those
7 funds. If the payment of the excess funds is not ordered and
8 paid within the time provided above, the excess funds and any
9 interest earned on the funds shall become the property of the
10 county. Following such redemption, any excess funds may be
11 remitted to the tax sale purchaser or to the purchaser's
12 successor in interest, or in the case of a negotiated
13 redemption agreement or purchase in which the redemption price
14 or purchase price has already been paid by the redeeming
15 party, any excess funds may be remitted to the redeeming
16 party."

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