

1 SB218
2 165331-2
3 By Senators Pittman, Holley, Whatley, Sanford, McClendon,
4 Singleton and Ross
5 RFD: Fiscal Responsibility and Economic Development
6 First Read: 12-MAR-15

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8 SYNOPSIS: Under existing law, a person redeeming land
9 sold at a tax sale to one other than the state is
10 required to pay interest on the tax due and on the
11 excess bid at the tax sale.

12 This bill would eliminate the requirement
13 that a person redeeming land sold at a tax sale to
14 one other than the state to pay interest on the
15 excess bid.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

21 To amend Section 40-10-122, Code of Alabama 1975, to
22 provide further for the redemption process for land sold for
23 taxes to a party other than the state; and to eliminate the
24 requirement that a person pay interest for an excessive bid.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Section 40-10-122, Code of Alabama 1975,
27 is amended to read as follows:

1 "§40-10-122.

2 "(a) In order to obtain the redemption of land from
3 tax sales where the same has been sold to one other than the
4 state, the party desiring to make such redemption shall
5 deposit with the judge of probate of the county in which the
6 land is situated the amount of money for which the lands were
7 sold, with interest payable at the rate of 12 percent per
8 annum from date of sale, ~~and, on the portion of any excess bid~~
9 ~~that is less than or equal to 15 percent of the market value~~
10 ~~as established by the county board of equalization,~~ on the tax
11 amount due on the date of sale together with the amount of all
12 taxes which have been paid by the purchaser, which fact shall
13 be ascertained by consulting the records in the office of the
14 tax collector, or other tax collecting official, with interest
15 on said payment at 12 percent per annum. If any taxes on said
16 land have been assessed to the purchaser and have not been
17 paid, and if said taxes are due which may be ascertained by
18 consulting the tax collector or other tax collecting official
19 of the county, the probate judge shall also require the party
20 desiring to redeem said land to pay the tax collector or other
21 tax collecting official the taxes due on said lands which have
22 not been paid by the purchaser before he or she is entitled to
23 redeem the same. In all redemptions of land from tax sales,
24 the party securing the redemption shall pay all costs and fees
25 as herein provided for due to officers and a fee of \$.50 to
26 the judge of probate for his or her services in the matter of
27 redemption. This application and payment may be executed by an

1 on-line transaction via the Internet or other on-line
2 provision.

3 "(1) All insurance premiums paid or owed by the
4 purchaser for casualty loss coverage on insurable structures
5 with interest on said payments at 12 percent per annum.

6 "(2) The value of all permanent improvements made on
7 the property determined in accordance with this section with
8 interest on said value at 12 percent per annum.

9 "(c) With respect to property which contains a
10 residential structure at the time of the sale regardless of
11 its location, the proposed redemptioner must pay to the
12 purchaser or his or her transferee, in addition to any other
13 requirements set forth in this section, the amounts set forth
14 below:

15 "(1) All insurance premiums paid or owed by the
16 purchaser for casualty loss coverage on the residential
17 structure with interest on the payments at 12 percent per
18 annum.

19 "(2) The value of all preservation improvements made
20 on the property determined in accordance with this section
21 with interest on the value at 12 percent per annum.

22 "(d) As used herein, "permanent improvements" shall
23 include, but not be limited to, all repairs, improvements, and
24 equipment attached to the property as fixtures. As used
25 herein, "preservation improvements" shall mean improvements
26 made to preserve the property by properly keeping it in repair
27 for its proper and reasonable use, having due regard for the

1 kind and character of the property at the time of sale. The
2 proposed redemptioner shall make written demand upon the
3 purchaser of a statement of the value of all permanent or
4 preservation improvements as applicable made on the property
5 since the tax sale. In response to written demand made
6 pursuant to this subsection, within 10 days from the receipt
7 of such demand, the purchaser shall furnish the proposed
8 redemptioner with the amount claimed as the value of such
9 permanent or preservation improvements as applicable; and
10 within 10 days after receipt of such response, the proposed
11 redemptioner either shall accept the value so stated by the
12 purchaser or, disagreeing therewith, shall appoint a referee
13 to ascertain the value of such permanent or preservation
14 improvements as applicable. The proposed redemptioner shall in
15 writing (i) notify the purchaser of his or her disagreement as
16 to the value; and (ii) inform the purchaser of the name of the
17 referee appointed by him or her. Within 10 days after the
18 receipt of such notice, the purchaser shall appoint a referee
19 to ascertain the value of the permanent or preservation
20 improvements as applicable and advise the proposed
21 redemptioner of the name of the appointee. Within 10 days
22 after the purchaser has appointed his or her referee, the two
23 referees shall meet and confer upon the award to be made by
24 them. If they cannot agree, the referees shall at once appoint
25 an umpire, and the award by a majority of such body shall be
26 made within 10 days after the appointment of the umpire and
27 shall be final between the parties.

1 "(e) If the proposed redemptioner fails or refuses
2 to nominate a referee as provided in subsection (d), he or she
3 must pay the value put upon the improvements by the purchaser.
4 If the purchaser refuses or fails to appoint a referee, as
5 provided in subsection (d), the purchaser shall forfeit his or
6 her claim to compensation for such improvements. The failure
7 of the referees or either of them to act or to appoint an
8 umpire shall not operate to impair or forfeit the right of
9 either the proposed redemptioner or the purchaser in the
10 premises and in the event of failure without fault of the
11 parties to affect an award, the appropriate court shall
12 proceed to ascertain the true value of such permanent or
13 preservation improvements as applicable and enforce the
14 redemption accordingly."

15 Section 2. This act shall become effective October
16 1, 2015.