

1 SB325
2 219144-1
3 By Senator Whatley
4 RFD: Judiciary
5 First Read: 17-MAR-22

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8 SYNOPSIS: Under existing law, after a parcel of
9 property has been sold for the owner's failure to
10 pay ad valorem taxes assessed against that
11 property, if the owner has not redeemed the
12 property within three years from the tax sale, the
13 tax purchaser may demand a tax deed. After the tax
14 purchaser becomes eligible to demand the tax deed,
15 the only way an owner may redeem the property is by
16 bringing a civil action against the tax purchaser
17 to recover the property. This action is known as
18 judicial redemption and must be brought within a
19 three-year period after the date the tax purchaser
20 becomes eligible to demand the tax deed, unless the
21 owner remains in possession of the property.

22 This bill would further provide that the
23 limits for judicial redemption apply only to the
24 owner of property to recover that property and that
25 the tax purchaser is not subject to these
26 limitations.
27

1 A BILL
2 TO BE ENTITLED
3 AN ACT
4

5 Relating to redemption of land after sale for
6 delinquent taxes; to amend Section 40-10-82, Code of Alabama
7 1975, to provide further for judicial redemption civil actions
8 brought by the owner of property attempting to recover that
9 property.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 40-10-82, Code of Alabama 1975,
12 is amended to read as follows:

13 "§40-10-82.

14 "(a) No An owner whose real estate has been sold to
15 a tax purchaser pursuant to Article 1 may bring an action for
16 the recovery of real estate sold for the payment of taxes
17 shall lie unless the same is brought the real estate within
18 three years from the date when the purchaser became entitled
19 to demand a deed therefor; ~~but if the owner of such real~~
20 ~~estate.~~

21 "(b) Notwithstanding subsection (a), if an owner of
22 real estate described in subsection (a) was, at the time of
23 such sale, under the age of 19 years or insane, he or she, his
24 or her incapacitated, the owner or the owner's heirs, or legal
25 representatives shall be allowed one year after such
26 disability is removed to bring an action for the recovery
27 thereof.; ~~but this~~

1 "(c) This section shall not apply to any of the
2 following:

3 "(1) Any action brought by the state, ~~to cases.~~

4 "(2) Any case in which the owner of the real estate
5 sold had paid the taxes, for the payment of which ~~such the~~
6 real estate was sold prior to ~~such the sale, or to cases .~~

7 "(3) Any case in which the real estate sold was not,
8 at the time of the assessment or of the sale, subject to
9 taxation.

10 "(d) There shall ~~be~~ exist no time limit for recovery
11 of real estate by an owner of ~~land~~ real estate who has
12 retained possession. If the owner of ~~land~~ real estate seeking
13 to redeem has retained possession, character of possession
14 need not be actual and peaceful, but may be constructive and
15 scrambling and, where there is no real occupancy of land,
16 constructive possession follows title of the original owner
17 and may only be cut off by adverse possession of the tax
18 purchaser for three years after the purchaser is entitled to
19 possession.

20 "(e) This section only serves to limit the rights of
21 an owner to recover real estate. There shall exist no time
22 limit for a tax purchaser to bring an action for possession
23 of, or to clear title to, the real estate when the real estate
24 has not yet been recovered by the owner, as described in this
25 section.

26 "(f) This section shall not serve as a basis for
27 real estate to revert in the owner, absent an action for

1 recovery initiated pursuant to this section, and the tax
2 purchaser shall retain a tax lien on the real estate for all
3 taxes, insurance, improvements, attorney fees, costs, and
4 interest on the real estate until such time as paid by the
5 owner in a recovery action pursuant to this section."

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