

**HB196 ENROLLED**



1 HB196  
2 V1HNVVV-3  
3 By Representative Ingram  
4 RFD: State Government  
5 First Read: 20-Feb-24



## HB196 Enrolled

1 Enrolled, An Act,

2  
3 Relating to the Land Commissioner; to amend Sections  
4 40-10-132 and 40-10-134, Code of Alabama 1975; to authorize  
5 the Land Commissioner to sell certain bid in land owned by the  
6 state by public auction in certain circumstances; and to  
7 provide for distribution of the proceeds of a sale.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Sections 40-10-132 and 40-10-134, Code of  
10 Alabama 1975, are amended to read as follows:

11 "§40-10-132

12 (a) ~~It shall be the duty of the~~ The Land Commissioner  
13 ~~to cause to be prepared a suitable book, in which shall be~~  
14 ~~entered a description, as accurate as can be obtained, of all~~  
15 ~~the lands which have been bid in by the state, with the amount~~  
16 ~~of state and county taxes due thereon and the date when such~~  
17 ~~lands were bid in; and, when three years shall have elapsed~~  
18 ~~from the date of sale, such portions of lands as have not been~~  
19 ~~redeemed shall be subject to sale by the state; and the Land~~  
20 ~~Commissioner, with the approval of the Governor, may do any of~~  
21 ~~the following~~ shall maintain a listing of all the lands that  
22 have been bid in for the state, which shall include the  
23 following:

24 (1) A legal description of the property, as it appears  
25 on the certificate of purchase provided to the state as  
26 required by Section 40-10-20.

27 (2) The amount of state and county taxes due.

28 (3) The date when the property was bid in for the



## HB196 Enrolled

29 state.

30 (b) After three years from the date of the sale, any  
31 portions of property that have not been redeemed shall be  
32 subject to sale by the state. The Land Commissioner may sell  
33 the property in any of the following ways:

34 (1) Sell the ~~same~~ property at private sale to any  
35 purchaser, who may pay ~~therefor~~ in cash to the Treasurer such  
36 sum of money as the Land Commissioner ~~may ascertain~~ ascertains  
37 to be sufficient to cover and satisfy all claims of the state  
38 and county, which sum shall not be less than the amount of  
39 money for which the lands were bid in by the state, with  
40 interest thereon at the rate of 12 percent per annum from the  
41 date of sale, together with the amount of all taxes due on the  
42 lands since date of sale, with interest thereon at the rate of  
43 12 percent per annum from the maturity of such taxes.

44 (2) If the lands are within a municipal boundary, sell  
45 the ~~same~~ property to the municipality or ~~such~~ other nonprofit  
46 or governmental entity as the municipality may designate, at  
47 the best price offered, irrespective of the amount of taxes  
48 and interest due.

49 (3) If the ~~lands are~~ property is not within a municipal  
50 boundary, sell the ~~same~~ property to the county in which the  
51 lands are situated or ~~such~~ other entity as the county may  
52 designate, at the best price offered, irrespective of the  
53 amount of taxes and interest due.

54 (4) Sell the ~~same~~ property to such other entity created  
55 jointly by the municipality and the county in which the lands  
56 are situated as much as may be authorized by state law, at the



## HB196 Enrolled

57 best price offered, irrespective of the amount of taxes and  
58 interest due.

59 (5) Sell the ~~same~~ property to a land bank authority  
60 created as authorized by Chapter 9, Title 24, for no  
61 consideration, irrespective of the amount of taxes and  
62 interest due.

63 ~~(b) (c) Notwithstanding the foregoing, if the lands have~~  
64 If the property has not been redeemed or sold by the state  
65 within five years from the date of the sale, ~~such lands the~~  
66 property may be sold by the Land Commissioner by online public  
67 auction as provided in Section 40-10-134, irrespective of the  
68 amount of taxes and interest due."

69 "§40-10-134

70 (a) When Commencing January 1, 2025, and subject to  
71 subsections (b) through (f), the Land Commissioner may sell  
72 lands by online public auction when those lands have been sold  
73 for taxes and bought in for the State of Alabama; ~~and~~ have not  
74 been redeemed or sold by the state; and a period of five years  
75 has elapsed from the date of sale to the state, ~~the Land~~  
76 ~~Commissioner, with the approval of the Governor, may sell the~~  
77 ~~same at private sale to any purchaser for cash at~~ The sale of  
78 the property by online public auction shall be subject to the  
79 provisions of subsections (b) through (e) and shall be for the  
80 best price obtainable, irrespective of the amount of taxes and  
81 interest due, ~~after giving notice as provided for in Section~~  
82 ~~40-10-133; provided that the holder of a tax lien certificate~~  
83 ~~related to such land shall be given the option to purchase~~  
84 ~~such land for an amount equal to the best price offered by any~~



## HB196 Enrolled

85 ~~purchaser at a private sale.~~

86 (b) When selling lands by public auction, the Land  
87 Commissioner shall contract with a nationally recognized  
88 auction company to sell at public auction the state's tax  
89 interest on any lands sold for nonpayment of taxes and bought  
90 in for the State of Alabama which meet the following  
91 requirements:

92 (1) The property has been bid in for the state for at  
93 least five years.

94 (2) The land has not been redeemed.

95 (3) The state has not sold or assigned its tax interest  
96 in the land.

97 (4) There is no active price quote on the land. The  
98 term "active price quote" means a statement that has been  
99 issued to an applicant which provides the amount necessary to  
100 purchase the state's tax interest in the land, and the  
101 applicant is still within the period of time stated in the  
102 price quote to accept and submit payment.

103 (c) The contract with the auction company shall provide  
104 that the fee to the auction company shall be a contingency fee  
105 with all expenses borne by the company. The expenses shall  
106 include, but are not limited to, the costs of advertising as  
107 provided in subsection (e). The contingency fee shall not  
108 exceed 15 percent of the total amount of each successful bid  
109 at auction and shall be added as a premium to the total amount  
110 of each successful bid at auction.

111 (d) When the Land Commissioner contracts with an  
112 auction company pursuant to subsection (b), he or she shall



## HB196 Enrolled

113 notify the owners of record, or persons having interest in the  
114 lands, that the state's tax lien interest on the property will  
115 be sold at auction and the date upon which this is scheduled  
116 to occur. Notification shall be achieved by means of  
117 publication on the Department of Revenue's website for a  
118 period of not less than 30 days prior to the auction. The  
119 publication shall include the date and time of the auction and  
120 a listing of the properties that are scheduled to be  
121 auctioned. Due to certain factors including, but not limited  
122 to, sales, redemptions, cancellations, or open price quotes  
123 occurring between the time of initial publication and the time  
124 of auction, the list may be amended as necessary throughout  
125 the publication period. Amending the list for these reasons  
126 shall not restart the 30-day publication period, nor shall it  
127 invalidate the actions of the Land Commissioner in complying  
128 with this subsection.

129 (e) The auction company, as part of its contracted  
130 responsibilities, shall advertise the auction. In its  
131 advertisement, the auction company shall make a prominent  
132 statement that purchasers will not receive clear title to any  
133 land sold at auction, and further, that they are bidding on  
134 the tax lien interest on lands held by the state for  
135 nonpayment of taxes which may have additional liens. The  
136 auction company and its agents shall not be liable for damages  
137 resulting from conducting the auction.

138 (f) Any provision of law to the contrary  
139 notwithstanding, the Department of Revenue shall distribute  
140 the funds derived from this section as follows:



## HB196 Enrolled

141           (1) For properties in which the current assessment  
142 includes state, county, and municipal taxes, the total amount  
143 received shall be divided into three equal shares. One share  
144 shall be disbursed to the State General Fund, one share  
145 disbursed to the county general fund, and one share disbursed  
146 to the municipality.

147           (2) For properties in which the current assessment  
148 includes only state and county taxes, the total amount  
149 received shall be divided into two equal shares. One share  
150 shall be disbursed to the State General Fund, and one share  
151 disbursed to the county general fund."

152           Section 2. This act shall become effective on October  
153 1, 2024.



# HB196 Enrolled

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Speaker of the House of Representatives

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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 05-Mar-24, as amended.

John Treadwell  
Clerk

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Senate **09-Apr-24**

Passed