

## SB3 INTRODUCED



1 SB3  
2 V6U6VP-1  
3 By Senator Coleman-Madison  
4 RFD: County and Municipal Government  
5 First Read: 06-Feb-24  
6 PFD: 18-Sep-23



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

SYNOPSIS:

Under existing law, the acquisition of real property by local land bank authorities is subject to certain restrictions on the procedure, geographic location, and costs.

This bill would provide a shortened redemption period for a tax delinquent property that is not acquired by an open market bidder at a tax sale auction, would authorize a local government or a local land bank authority to purchase property at public auction by tendering the minimum bid in the absence of open market bids, and would limit the geographical boundaries of local land bank authority acquisitions.

This bill would provide for the creation of multijurisdictional local land bank authorities by intergovernmental agreements and a property tax exemption for a property owned by a local land bank authority; authorize local governments to allocate a portion of local property tax revenues to local land bank authorities; authorize a local land bank authority to convey properties to state and local governments for flood plain management and storm water drainage; and authorize the Governor to create a local land bank authority by executive order following a declaration of a state of emergency.



**SB3 INTRODUCED**

29                   This bill would also make nonsubstantive,  
30                   technical revisions to update the existing code  
31                   language to current style.

32

33

34

A BILL

35

TO BE ENTITLED

36

AN ACT

37

38                   Relating to land bank authorities; to amend Sections  
39                   24-9-4, 24-9-5, 24-9-6, 24-9-7, 24-9-8, 24-9-10, 40-1-3,  
40                   40-10-1, 40-10-18, 40-10-29, 40-10-120, 40-10-184, 40-10-197,  
41                   and 40-10-199, Code of Alabama 1975; to add Sections 24-9-11  
42                   and 24-9-12 to the Code of Alabama 1975; to provide for the  
43                   creation of multijurisdictional local land bank authorities;  
44                   to further authorize the acquisition of tax delinquent  
45                   property and tax liens by local land bank authorities; to  
46                   further provide for the exemption of local land bank authority  
47                   property from taxes and fees; to provide for the allocation of  
48                   a portion of the ad valorem taxes on certain property conveyed  
49                   to a local land bank authority to the authority; to further  
50                   provide for the conveyance of local land bank authority  
51                   property; to authorize the Governor to create local land bank  
52                   authorities in the event of a state of emergency; and to make  
53                   nonsubstantive, technical revisions to update the existing  
54                   code language to current style.

55                   BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

56                   Section 1. Sections 24-9-4, 24-9-5, 24-9-6, 24-9-7,



### SB3 INTRODUCED

57 24-9-8, and 24-9-10, Code of Alabama 1975, are amended to read  
58 as follows:

59 "§24-9-4

60 When used in the chapter, the following words ~~shall~~  
61 have the following meanings:

62 (1) AGREEMENT. The intergovernmental cooperation  
63 agreement entered into between an authority and a local land  
64 bank authority by the parties pursuant to this chapter.

65 (2) AUTHORITY. The Alabama Land Bank Authority.

66 (3) BOARD. The Alabama Land Bank Authority Board.

67 (4) LOCAL LAND BANK AUTHORITY. A local land bank  
68 authority created by a county or municipality as provided in  
69 Section 24-9-10.

70 (5) PROPERTY. Real property, including any improvements  
71 thereon.

72 (6) TAX-DELINQUENT PROPERTY. Any property on which the  
73 taxes levied and assessed by any party remain in whole or in  
74 part unpaid on the date due and payable."

75 "§24-9-5

76 (a) There is created the Alabama Land Bank Authority  
77 Board which shall govern the authority to administer and  
78 enforce this chapter.

79 (b) The board shall consist of the following members:

80 (1) Four residents of the state appointed by the  
81 Governor.

82 (2) Two representatives from nonprofit organizations  
83 engaged in low-income housing appointed by the Governor.

84 (3) The Presiding Officer of the Senate or his or her



### SB3 INTRODUCED

85 designee.

86 (4) The Speaker of the House of Representatives or his  
87 or her designee.

88 (5) The Chair of the Senate Finance and Taxation  
89 General Fund Committee or his or her designee.

90 (6) The Chair of the House Ways and Means General Fund  
91 Committee or his or her designee.

92 (7) The State Revenue Commissioner or his or her  
93 designee.

94 (8) The Superintendent of the State Banking Department  
95 or his or her designee.

96 (9) The Director of the Alabama Department of Economic  
97 and Community Affairs or his or her designee.

98 (10) The Secretary of the Alabama Department of  
99 Commerce or his or her designee.

100 (11) The State Finance Director or his or her designee.

101 (12) The Chair of the Alabama Housing Finance Authority  
102 or his or her designee.

103 (13) The Administrator of the Alabama Credit Union  
104 Administration or his or her designee.

105 (c) The members of the board shall serve four year  
106 terms. In appointing the initial members of the board under  
107 subdivision (1) of subsection (b), the Governor shall  
108 designate two to serve four years, one to serve three years,  
109 and one to serve two years.

110 (d) Members of the board shall receive reimbursement  
111 for expenses incurred in the performance of their duties but  
112 no other compensation.



### SB3 INTRODUCED

113 (e) The board may employ the necessary personnel for  
114 the performance of its functions and fix their compensation.

115 (f) The board shall elect from its membership a chair,  
116 vice chair, and secretary-treasurer. The board shall adopt  
117 rules to govern its proceedings. A majority of the membership  
118 of the board shall constitute a quorum for all meetings.  
119 Approval by a majority of the membership shall be necessary  
120 for any action to be taken by the authority. All meetings  
121 shall be open to the public, except as otherwise permitted by  
122 the Alabama Open Meetings Act, and a written record shall be  
123 maintained of all meetings.

124 (g) The membership of the board shall be inclusive and  
125 reflect the racial, gender, geographic, ~~urban/rural~~urban,  
126 rural, and economic diversity of the state.

127 (h) The board, when acting in its official capacity,  
128 its members, and the authority shall be immune from civil  
129 liability against the claims of any individual or other entity  
130 of any nature whatsoever arising out of its ownership or  
131 administration of properties or related to its decisions or  
132 actions, which decisions or actions were made in good faith,  
133 without malice, and predicated upon information which was then  
134 available to the board.

135 (i) The authority shall be a public body corporate and  
136 politic with the power to accept and issue deeds in its name,  
137 including, without limitation, the acceptance of real property  
138 in accordance with this chapter, and to institute quiet title  
139 actions as provided in Section 24-9-8, and shall have any  
140 other powers necessary and incidental to carry out the powers



### SB3 INTRODUCED

141 and the purpose granted by this chapter.

142 (j) In addition to the tax-delinquent property acquired  
143 by the authority as provided herein, the authority may  
144 acquire, by purchase, donation, or exchange, other publicly  
145 owned property from local governments, including that which  
146 was acquired years earlier as a result of foreclosure  
147 proceedings of that property, or property that has become  
148 surplus. The authority may also acquire property through  
149 voluntary donations and transfers from private owners and may  
150 acquire by purchase or lease on the open market property from  
151 a private owner ~~to complete an assemblage of property for~~  
152 ~~redevelopment.~~

153 (k) No later than October 1, 2018, the State Revenue  
154 Commissioner or his or her designee shall convene the first  
155 meeting of the authority."

156 "§24-9-6

157 (a) The authority, at ~~such~~the times as it deems to be  
158 appropriate, may submit a written request to the Land  
159 Commissioner of the Alabama Department of Revenue for the  
160 transfer of the state's interest in certain properties to the  
161 authority. Upon receipt of ~~such~~the request, the Land  
162 Commissioner shall issue a tax deed conveying the state's  
163 interest in the property to the authority. The authority shall  
164 not be required to pay the amount deemed to have been bid to  
165 cover delinquent taxes or any other amount in order to obtain  
166 the tax deed.

167 (b) (1) Delinquent property that may be transferred by  
168 the Land Commissioner to the authority shall be limited to



### SB3 INTRODUCED

169 parcels located outside the geographic boundaries of a local  
170 land bank authority that have been bid in for the state  
171 pursuant to Chapter 10 of Title 40 for at least three years  
172 and the state's interest in real property acquired pursuant to  
173 Chapter 29 of Title 40 for delinquent taxes administered by  
174 the state and held for at least three years. The three-year  
175 period shall not apply to properties encumbered by one or more  
176 housing, building code, or nuisance abatement liens.

177 (2) The Land Commissioner or his or her agents or  
178 assistants may adopt rules necessary to transfer ~~such~~the  
179 properties to the authority.

180 (c) The authority shall administer properties acquired  
181 by it as follows:

182 (1) All property acquired by the authority shall be  
183 inventoried and the inventory shall be maintained as a public  
184 record.

185 (2) The authority shall have the power to manage,  
186 maintain, protect, rent, lease, repair, insure, alter, sell,  
187 trade, exchange, or otherwise dispose of any property acquired  
188 pursuant to subsection (b)(1), on terms and conditions  
189 determined in the sole discretion of the authority.

190 (d) Nothing contained in Act 2013-249 shall be  
191 construed to grant any power of eminent domain to the  
192 authority or any local authority."

193 "§24-9-7

194 (a) The authority shall adopt rules for the disposition  
195 of property in which the authority holds a legal interest,  
196 which rules shall address the conditions set forth in this





### SB3 INTRODUCED

197 section.

198 (b) The authority may manage, maintain, protect, rent,  
199 repair, insure, alter, convey, sell, transfer, exchange, lease  
200 as lessor, or otherwise dispose of property or rights or  
201 interests in property in which the authority holds a legal  
202 interest to any public or private person for value determined  
203 by the authority on terms and conditions, and in a manner and  
204 for an amount of consideration the authority considers proper,  
205 fair, and valuable, including for no monetary consideration.  
206 The transfer and use of property under this section and the  
207 exercise by the authority of powers and duties under Act  
208 2013-249 shall be considered a necessary public purpose and  
209 for the benefit of the public.

210 (c) Before the authority may sell, lease, exchange,  
211 trade, or otherwise dispose of any property, it shall either:

212 (1) Establish a purchase price and conditions for sale  
213 purposes.

214 (2) Establish a price and conditions for rent or lease  
215 purposes.

216 (3) Establish the conditions for trade, exchange, or  
217 other disposal of the property.

218 The conditions made pursuant to this subsection may  
219 include a requirement that the transferee must provide a  
220 development plan or execute a development agreement with the  
221 authority specifying the transferee's commitments regarding  
222 the development of the property and the time frame within  
223 which the development must occur, the range of permitted uses  
224 for the property, and any restrictions on its subsequent



### SB3 INTRODUCED

225 resale or transfer.

226 (d) The disposition of property by the authority shall  
227 not be governed by any laws or rules otherwise applicable to  
228 the disposition of property by a state or local agency.

229 ~~Provided, however, that, prior to the disposition of property,~~  
230 ~~the authority shall give notice of its intent to dispose of~~  
231 ~~any property for which notice was not previously advertised by~~  
232 ~~the Commissioner of Revenue, or his or her designee, or by a~~  
233 ~~local official in a manner as prescribed by the authority and~~  
234 ~~shall include in the notice the date, time, and place at which~~  
235 ~~persons objecting to the intended action must appear. If no~~  
236 ~~objection is made within 30 days from the date of the notice,~~  
237 ~~the authority may proceed with the disposition of the property~~  
238 ~~as noticed without a public auction.~~

239 (e) No property shall be sold, traded, exchanged, or  
240 otherwise disposed of by the authority to any entity for  
241 investment purposes only and with no intent to use the  
242 property other than to transfer the property at a future date  
243 for monetary gain.

244 (f) The authority shall not sell, trade, exchange, or  
245 otherwise dispose of any property held by the authority to any  
246 party who had an interest in the property at the time it was  
247 tax delinquent or to any party who transferred the party's  
248 interest in the property to the authority by sale, trade,  
249 exchange, or otherwise, unless the person pays all the taxes,  
250 interest, municipal liens, penalties, fees, and any other  
251 charges due and owing under Chapter 10 and Chapter 29 of Title  
252 40, including the amount to the Land Commissioner had the



### SB3 INTRODUCED

253 property not been transferred to the authority.

254 (g) Except as otherwise provided in this section, the  
255 authority shall have full discretion in determining the sale  
256 price of the property. ~~No purchaser from the authority shall  
257 be responsible for the proper disposition of the proceeds paid  
258 to the authority for the purchase of property."~~

259 "§24-9-8

260 (a) The authority may initiate a quiet title action  
261 under this section to quiet title to real property held by the  
262 authority or interests in tax delinquent property held by the  
263 authority by undertaking the examination of title as required  
264 in subsection (b) and thereafter filing the petition as  
265 provided in subsection (c). Following the filing of the  
266 petition, the authority shall record with the office of the  
267 judge of probate in the county in which the property subject  
268 to quiet title action is located a notice of pending quiet  
269 title action. The notice shall include the name of the  
270 taxpayer whose interest was affected by the tax sale; the name  
271 of any other party as revealed by a search and examination of  
272 the title to the property who may claim an interest in the  
273 property; a legal description of the property; the street  
274 address of the property if available; the name, address, and  
275 telephone number of the authority; a statement that the  
276 property is subject to the quiet title proceedings under Act  
277 2013-249; a statement that any legal interests in the property  
278 may be extinguished by a circuit court order vesting title to  
279 the property in the authority; and the date, time, and place  
280 of the hearing on the petition to quiet title. Notwithstanding



### SB3 INTRODUCED

281 anything in this chapter to the contrary, no quiet title  
282 action and nothing in this chapter shall affect any right,  
283 title, or interest, whether recorded or unrecorded, in the  
284 subject property which was held at the time of the tax sale by  
285 any person or entity engaged in the generation, transmission,  
286 or distribution of electric power, natural gas, or  
287 telecommunications.

288 (b) ~~After the notice required under subsection (a) has~~  
289 ~~been recorded,~~ Prior to filing the petition described in  
290 subsection (a), the record title to the property shall be  
291 examined and an opinion of title rendered by an attorney at  
292 law, who is licensed to practice law in this state, or a  
293 certificate of title shall be prepared by a title agent or  
294 title insurer duly licensed under the Alabama Title Insurance  
295 Act as set out in Section 27-25-1, et seq., for the benefit of  
296 the authority in order to identify all owners of an interest  
297 in the property.

298 (c) Once the authority has identified the owners of  
299 interest in the property, the authority shall file a single  
300 petition with the clerk of the circuit court for the judicial  
301 district in which the property subject to foreclosure under  
302 this section is located listing all property subject to  
303 foreclosure by the authority and for which the authority seeks  
304 to quiet title. No such action shall be subject to the payment  
305 of filing fees. The list of properties shall include a legal  
306 description of, a tax parcel identification number for, and  
307 the street address of each parcel or property. The petition  
308 shall seek a judgment in favor of the authority against each



### SB3 INTRODUCED

309 property listed and shall include a date, within 90 days, on  
310 which the authority requests a hearing on the petition. The  
311 petition shall request that a judgment be entered vesting  
312 absolute title in the authority, without right of redemption  
313 for each parcel of property listed, as provided in this  
314 section. At any time during the pendency of this action, the  
315 authority may file a motion to release or dismiss a certain  
316 parcel or parcels of land from the petition, which release  
317 will not affect the remaining parcels of land subject to the  
318 petition.

319 (d) The case shall be docketed in the circuit court by  
320 the clerk, and shall be a preferred case therein. The circuit  
321 court in which a petition is filed under subsection (c) shall  
322 immediately set the date, time, and place for a hearing on the  
323 petition for quiet title. In no event may the clerk schedule  
324 the hearing later than 90 days after the filing of a petition  
325 by the authority under subsection (c). The court, on the  
326 request of a party or as needed to allow completion of service  
327 of process on all interested persons, and to allow those  
328 persons 30 days after service of process to file an answer or  
329 other responsive pleadings to the petition, may extend the  
330 90-day period for good cause shown.

331 (e) The authority shall serve all persons having record  
332 title or interest in or lien upon the property with a notice  
333 of the hearing on the petition to quiet title. ~~Such~~The service  
334 shall be attempted by personal service and by certified mail;  
335 provided if service is perfected by either method, the service  
336 will be sufficient to provide service of process upon all



### SB3 INTRODUCED

337 persons having record title or interest in or lien upon the  
338 property. If the persons entitled to service are located  
339 outside the county, they may be served by certified mail.

340 (f) The notice required under subsection (e) shall  
341 include:

342 (1) The date on which the authority recorded, under  
343 subsection (a), the notice of the pending quiet title and  
344 foreclosure action.

345 (2) A statement that a person with a property interest  
346 in the property may lose ~~such~~the interest, if any, as a result  
347 of the quiet title and foreclosure hearing.

348 (3) A legal description, tax parcel identification  
349 number of the property, and the street address of the  
350 property.

351 (4) The date and time of the hearing on the petition  
352 for quiet title and a statement that the judgment of the court  
353 may result in title to the property vesting in the authority.

354 (5) An explanation of any rights of redemption and  
355 notice that the judgment of the court may extinguish any  
356 ownership interest in or right to redeem the property.

357 (6) The name, address, and telephone number of the  
358 authority.

359 (g) In the event the sheriff is unable to perfect  
360 service or certified mail attempts are returned unclaimed, the  
361 authority shall conduct a search for the person with an  
362 interest in the property conveyed to the authority.

363 (1) The search, at a minimum, shall include the  
364 following:



### SB3 INTRODUCED

365 a. An examination of the addresses given on the face of  
366 the instrument vesting interest or the addresses given to the  
367 clerk of the probate court by the transfer declaration form.

368 b. A search of ~~the current telephone~~  
369 ~~directory~~electronic telephone databases for the municipality  
370 and the county in which the property is located.

371 c. A letter of inquiry to the person who sold the  
372 property to the owner whose interest was sold in the tax sale  
373 at the address shown in the transfer tax declaration or in ~~the~~  
374 ~~telephone directory~~electronic telephone databases.

375 d. A letter of inquiry to the attorney handling the  
376 closing prior to the tax sale if ~~such~~the information is  
377 provided on the deed forms.

378 (2) A sign being no less than four feet by four feet  
379 shall be erected on the property and maintained by the  
380 authority for a minimum of 30 days reading as follows:

381 "THIS PROPERTY HAS BEEN CONVEYED TO THE \_\_\_\_\_ LAND  
382 BANK AUTHORITY AND IS SUBJECT TO A QUIET TITLE ACTION. PERSONS  
383 WITH INFORMATION REGARDING THE PRIOR OWNERSHIP OF OR INTEREST  
384 IN THE PROPERTY ARE REQUESTED TO CONTACT THE LAND BANK  
385 AUTHORITY AT \_\_\_\_\_."

386 (3) Any additional parties who are identified as having  
387 an interest in the property shall be provided notice in  
388 accordance with this section.

389 (h) If the interested party is an individual, the  
390 authority shall examine voter registration lists, available  
391 municipal archives for records of deaths, and the probate  
392 court records of estates opened in the county in which the



### SB3 INTRODUCED

393 property is located.

394 (i) If the interested party is a business entity, the  
395 authority shall search the records of the Secretary of State  
396 for the name and address of a registered agent.

397 (j) If an interested party appears at the hearing and  
398 asserts a right to redeem the property, that party may redeem  
399 in accordance with Chapter 10 and Chapter 29 of Title 40.

400 (k) (1) If the authority has made the search as required  
401 by this section and been unable to locate those persons  
402 required to be served under subsection (e), and has located  
403 additional addresses of those persons through the search and  
404 attempted without success to serve those persons in either  
405 manner provided by subsection (e), the authority shall provide  
406 notice by publication. Prior to the hearing, a notice shall be  
407 published once each week for three successive weeks in a  
408 newspaper of general circulation in the county in which the  
409 property is located. If no paper is published in that county,  
410 publication shall be made in a newspaper of general  
411 circulation in an adjoining county. This publication shall  
412 substitute for notice under this subsection or subsection (g).  
413 The published notice shall include the information required in  
414 subsection (f). Should the identity of some or all of the  
415 persons who may have an interest in the property be unknown,  
416 or should ~~such~~the persons be infants or persons of unsound  
417 mind, the court shall appoint a guardian ad litem to represent  
418 and defend the interests of ~~such~~the unknown, the  
419 infants~~infant~~, or ~~incompetent~~the persons of unsound mind who  
420 are parties in the action.





### SB3 INTRODUCED

421 (2) A person claiming an interest in a parcel of  
422 property set forth in the quiet title action who desires to  
423 contest that petition shall file an answer containing written  
424 objections with the clerk of the circuit court and serve those  
425 objections on the authority before the date of the hearing.  
426 The circuit court may appoint and utilize as the court  
427 considers necessary a special master for assistance with the  
428 resolution of any objections to the quiet title action or  
429 questions regarding the title to property subject thereto.  
430 Within 30 days following the hearing, the circuit court shall  
431 enter judgment on a petition to quiet title. The circuit  
432 court's judgment shall specify all of the following:

433 a. The legal description, tax parcel identification  
434 number, and, if known, the street address of the subject  
435 property.

436 b. That fee simple title to the property by the  
437 judgment is vested absolutely in the authority, except as  
438 otherwise provided in paragraph e., without any further rights  
439 of redemption.

440 c. That all liens against the property, including any  
441 lien for unpaid taxes or special assessments, are  
442 extinguished.

443 d. That, except as otherwise provided in paragraph e.,  
444 the authority has good and marketable fee simple title to the  
445 property.

446 e. That all existing recorded and unrecorded interests  
447 in the property are extinguished, except a recorded easement  
448 or right-of-way, restrictive covenant, prior reservation or



### SB3 INTRODUCED

449 severance of all mineral, mining, oil, and gas rights within  
450 and underlying the property, ~~such~~the state of facts as shown  
451 on recorded plats, or restrictions or covenants imposed under  
452 the Alabama Land Recycling and Economic Development Act or any  
453 other environmental law in effect in the state, severed oil,  
454 gas, and mineral rights and mineral leases and agreements are  
455 excepted from Act 2013-249 and any quiet title action  
456 authorized herein.

457 f. A finding that all persons entitled to notice and an  
458 opportunity to be heard have been provided that notice and  
459 opportunity and that the authority provided notice to all  
460 interested parties or that the authority complied with the  
461 notice procedures in subdivision (1), which compliance shall  
462 create a rebuttable presumption that all interested parties  
463 received notice and an opportunity to be heard.

464 (1) Except as otherwise provided in paragraph (k)(2)e.,  
465 fee simple title to property set forth in a petition for quiet  
466 title filed under subsection (c) shall vest absolutely in the  
467 authority upon the effective date of the judgment by the  
468 circuit court and the authority shall have absolute title to  
469 the property. The authority's title is not subject to any  
470 recorded or unrecorded lien, except as provided in paragraph  
471 (k)(2)e. and shall not be stayed except as provided in  
472 subsection (m). A judgment entered under this section is a  
473 final order with respect to the property affected by the  
474 judgment.

475 (m) The authority or a person claiming to have an  
476 interest in property under this section may within 42 days



### SB3 INTRODUCED

477 following the effective date of the judgment under subsection  
478 (k) appeal the circuit court's judgment quieting title to the  
479 property to the court of appeals. An appeal under this  
480 subsection is limited to the record of the proceedings in the  
481 circuit court under this section. In the event of a timely  
482 appeal, the circuit court's judgment quieting title to the  
483 property shall be stayed until the court of appeals has  
484 reversed, modified, or affirmed that judgment. If an appeal  
485 under this subsection stays the circuit court's judgment, the  
486 circuit court's judgment is stayed only as to the property  
487 that is the subject of that appeal and the circuit court's  
488 judgment quieting title to other property that is not the  
489 subject of that appeal is not stayed.

490 (n) The authority shall record an order of judgment for  
491 each parcel of property in the office of the judge of probate  
492 for the county in which the subject property is located.

493 (o) Notwithstanding the limitation of actions,  
494 requirements for adverse possession ~~under, any other~~  
495 provisions of Section 40-10-82, or any other law, the  
496 authority may initiate a quiet title action under this section  
497 at any time after acquiring an interest in the property which  
498 is subject to the action. A final decree of an action properly  
499 filed in compliance with this section shall extinguish all  
500 outstanding rights of redemption."

501 "§24-9-10

502 (a) If the number of tax delinquent properties in a  
503 municipality exceeds 100, then the governing body of a  
504 municipality may adopt a resolution declaring that it is wise,



### SB3 INTRODUCED

505 expedient, and necessary that a local land bank authority be  
506 formed by the municipality by the filing for record of a  
507 certificate of incorporation in accordance with the provisions  
508 of subsection ~~(e)~~ (d).

509 (b) If the number of tax delinquent properties in a  
510 municipalitycounty exceeds 100, then the governing body of a  
511 county may adopt a resolution declaring that it is wise,  
512 expedient, and necessary that a local land bank authority be  
513 formed by the county by the filing for record of a certificate  
514 of incorporation in accordance with the provisions of  
515 subsection ~~(e)~~ (d).

516 (c) A county and a municipality located within that  
517 county may create a single land bank authority by an  
518 intergovernmental agreement, so long as both the county and  
519 the municipality each meet the criteria of subsections (a) and  
520 (b). The intergovernmental agreement shall comply with all  
521 provisions of subsections (d) and (e) and Chapter 102 of Title  
522 11.

523 (d) Upon the adoption of the authorizing resolution,  
524 the municipality or county, as the case may be, shall proceed  
525 to incorporate the local land bank authority by filing for  
526 record in the office of the judge of probate of the county a  
527 certificate of incorporation which shall comply in form and  
528 substance with the requirements of this section and which  
529 shall be in the form and executed in the manner herein  
530 provided. The certificate of incorporation of the local land  
531 bank authority shall state all of the following:

532 (1) The name of the local unit of government forming



### SB3 INTRODUCED

533 the local land bank authority.

534 (2) The name of the local land bank authority.

535 (3) The size of the initial governing body of the local  
536 land bank authority, which shall be composed of an odd number  
537 of members, but not less than five.

538 (4) The qualifications, method of selection, and terms  
539 of office of the initial board members.

540 (5) A method for the adoption of bylaws by the  
541 governing body of the local land bank authority.

542 (6) A method for the distribution of proceeds from the  
543 activities of the local land bank authority.

544 (7) A method for the dissolution of the local land bank  
545 authority.

546 (8) Any other matters considered advisable by the local  
547 unit of government, consistent with Act 2013-249.

548 ~~(d)~~ (e) Following incorporation, a local land bank  
549 authority may enter into an intergovernmental agreement with  
550 the authority providing for the transfer to the local land  
551 bank authority of any property held by the authority which is  
552 located within the corporate limits of the municipality or the  
553 boundary of the county which created the land bank.

554 ~~(e)~~ (f) A local land bank authority shall have all of  
555 the powers of the authority as set forth in this chapter. In  
556 addition, a local land bank authority shall have the following  
557 powers:

558 (1) To adopt, amend, and repeal bylaws for the  
559 regulation of its affairs and the conduct of its business.

560 (2) To sue and be sued in its own name and to prosecute



### SB3 INTRODUCED

561 and defend civil actions in any court having jurisdiction of  
562 the subject matter and of the parties, including, but not  
563 limited to, actions to clear title to the property of the  
564 local land bank authority.

565 (3) To adopt and make use of a corporate seal and to  
566 alter the same at its pleasure.

567 (4) To acquire by purchase, lease, or otherwise and to  
568 hold, lease, and dispose of real or personal property of every  
569 kind and character, or any interests therein, in furtherance  
570 of the public purposes of the local land bank authority.

571 (5) To acquire, accept, or retain equitable interests,  
572 security interests, or other interests in any real property,  
573 personal property, or fixtures by loan agreement, note,  
574 mortgage, trust deed, security agreement, assignment, pledge,  
575 conveyance, contract, lien, or other consensual transfer in  
576 order to secure credit extended by the local land bank  
577 authority.

578 (6) To borrow from private lenders, from  
579 municipalities, from the state, or from federal government  
580 funds, as may be necessary, for the operation and work of the  
581 local land bank authority.

582 (7) To issue negotiable revenue bonds and notes  
583 according to the provisions of this chapter.

584 (8) To procure insurance or guarantees from the state  
585 or federal government for the payments of any debts or parts  
586 of debts incurred by the local land bank authority, and to pay  
587 premiums in connection with the insurance or guarantees.

588 (9) To enter into contracts and other instruments



### SB3 INTRODUCED

589 necessary, incidental, or convenient to the performance of its  
590 duties and the exercise of its powers, including, but not  
591 limited to, intergovernmental agreements under Chapter 102 of  
592 Title 11, for the joint exercise of powers under this chapter.

593 (10) To enter into contracts and other instruments  
594 necessary, incidental, or convenient to the performance of  
595 functions by the local land bank authority on behalf of  
596 municipalities or agencies or departments of municipalities;  
597 or the performance by municipalities or agencies or  
598 departments of municipalities; or of functions on behalf of  
599 the local land bank authority.

600 (11) To procure insurance against losses in connection  
601 with the real property, assets, or activities of the local  
602 land bank authority.

603 (12) To invest money of the local land bank authority,  
604 at the discretion of the board of directors, in instruments,  
605 obligations, securities, or properties determined proper by  
606 the board of directors, and name and use depositories for its  
607 money.

608 (13) To hire and compensate employees and contractors,  
609 to provide retirement and other forms of deferred  
610 compensation, to provide fringe benefits, and to otherwise  
611 contract with employees and contractors.

612 ~~(1)~~ (14) Without the approval of a local unit of  
613 government in which property held by the local land bank  
614 authority is located, control, hold, manage, maintain,  
615 operate, repair, lease as lessor, secure, prevent the waste or  
616 deterioration of, demolish, and take all other actions



### SB3 INTRODUCED

617 necessary to preserve the value of the property it holds or  
618 owns. ~~An~~ local land bank authority may take or perform the  
619 following actions with respect to property held or owned by  
620 the local land bank authority:

621 a. Grant or acquire a license, easement, or option with  
622 respect to property as the local land bank authority  
623 determines is reasonably necessary to achieve the purposes of  
624 this chapter.

625 b. Fix, charge, and collect rents, fees, and charges  
626 for use of property under the control of the local land bank  
627 authority or for services provided by the local land bank  
628 authority.

629 c. Pay any tax or special assessment due on property  
630 acquired or owned by the local land bank authority.

631 d. Take any action, provide any notice, or institute  
632 any proceeding required to clear or quiet title to property  
633 held by the local land bank authority in order to establish  
634 ownership by and vest title to property in the local land bank  
635 authority, including, but not limited to, a quiet title and  
636 foreclosure action pursuant to Section 24-9-8.

637 e. Remediate environmental contamination on any  
638 property held by the local land bank authority.

639 ~~(2) Enter~~ (15) To enter into an intergovernmental  
640 agreement with a municipality or county, or another local land  
641 bank authority, providing for one or more of the following:

642 a. The conveyance to the local land bank authority of  
643 tax delinquent property held by the municipality or county for  
644 title clearance, including, but not limited to, a quiet title





### SB3 INTRODUCED

645 and foreclosure action under Section 24-9-8.

646           b. The acquisition and title clearance of property by  
647 the local land bank authority of property to be conveyed by  
648 the local land bank authority to the municipality or county or  
649 another entity pursuant to the agreement between the local  
650 land bank authority and the municipality or county.

651           c. The performance of operational and administrative  
652 services to be provided to another local land bank authority.

653           (16) To acquire property at a sale conducted in  
654 accordance with Section 40-10-18 by tendering a bid equal to  
655 the minimum amount specified in the decree of sale and the  
656 costs and expenses subsequently accruing, which shall be  
657 accepted, and a certificate of purchase issued to the local  
658 land bank authority. The tender of the minimum bid in  
659 accordance with this subsection shall be for cash, with a  
660 credit for any and all components of the minimum bid already  
661 due and payable to the county, municipality, and school board  
662 whose taxes and liens compose part of the minimum bid. After  
663 90 days from the date of sale, upon return of the certificate,  
664 the judge of probate shall execute and deliver to the local  
665 land bank authority a deed for each lot or parcel of property  
666 that it purchased. The deed shall convey to, and vest in, the  
667 grantee all right, title, interest, and estate of any and all  
668 persons having an interest in the property as of the date of  
669 the sale.

670           (17) To acquire a tax lien at an auction conducted in  
671 accordance with Section 40-10-184 by tendering a cash bid at  
672 an interest rate of 0.00 percent, which shall be accepted as



### SB3 INTRODUCED

673 the successful bid. The bid shall be tendered for cash, with a  
674 credit for any and all components of the minimum bid already  
675 due and payable to the county, municipality, and school board  
676 whose taxes and liens compose part of the minimum bid.

677 (18) To apply for and receive funding through grants  
678 and loans from the governmental unit or units that created the  
679 local land bank authority, from other municipalities, from the  
680 state, from the federal government, and from other public and  
681 private sources.

682 (19) To receive and retain payments for services  
683 rendered, for rent and leasehold payments received, for  
684 consideration for disposition of real and personal property,  
685 for proceeds of insurance coverage for losses incurred, for  
686 income from investments, and for any other asset and activity  
687 lawfully permitted to a local land bank authority under this  
688 act.

689 ~~(f)~~ (g) A local unit of government and any agency or  
690 department of ~~such~~ the local unit of government may do one or  
691 more of the following:

692 (1) Anything necessary or convenient to aid a local  
693 land bank authority in fulfilling its purposes under Act  
694 2013-249.

695 (2) Lend, grant, transfer, appropriate, or contribute  
696 funds to a local land bank authority in furtherance of its  
697 purposes.

698 (3) Lend, grant, transfer, or convey funds to a local  
699 land bank authority that are received from the federal  
700 government or this state or from any nongovernmental entity in



### SB3 INTRODUCED

701 aid of the purposes of Act 2013-249.

702 (h) A local land bank authority created by a county may  
703 acquire real property only within the geographical boundaries  
704 of the county and only in those portions of the county outside  
705 of the geographical boundaries of the local land bank  
706 authority created by a municipality located partially or  
707 wholly within the county. A local land bank authority created  
708 by a municipality may acquire real property in any of the  
709 following locations:

710 (1) Within its own geographical boundaries.

711 (2) Outside of its own geographical boundaries so long  
712 as the real property is not located within the boundaries of  
713 any other local land bank authority.

714 (3) Within the geographical boundaries of another local  
715 land bank authority pursuant to an intergovernmental agreement  
716 between the local land bank authorities.

717 ~~(g) In the event a county creates a local authority,~~  
718 ~~the local authority may acquire real property that has been~~  
719 ~~tax delinquent for three or more years only in those portions~~  
720 ~~of the county located outside of the geographical boundaries~~  
721 ~~of any other local authority created by any municipality~~  
722 ~~located partially or entirely within the county. The Land Bank~~  
723 ~~Authority may acquire real property that has been tax~~  
724 ~~delinquent for three or more years only in those portions of~~  
725 ~~the state located outside of the geographical boundaries of~~  
726 ~~any local authority created by any municipality or county.~~

727 ~~(h)~~ (i) Any local land bank authority formed by a  
728 municipality or county pursuant to this section shall continue



### SB3 INTRODUCED

729 to exist in accordance with its articles of incorporation and  
730 this section in the event that the number of tax delinquent  
731 properties in the local jurisdiction forming the local land  
732 bank authority subsequently decreases to 100 or less.

733 ~~(i)~~ (j) Any local land bank authority formed by a  
734 municipality or county pursuant to this section shall permit  
735 the Alabama Department of Examiners of Public Accounts to  
736 perform an audit upon request by the department. The  
737 department shall assess the cost of the audit against the  
738 local land bank authority.

739 (k) As public property used for public purposes, the  
740 real property of a local land bank authority, including, but  
741 not limited to, real property held by a local land bank  
742 authority pursuant to a long-term lease contract with  
743 community land trusts and its income, are exempt from all  
744 license fees, recording fees, and all other taxes imposed by  
745 the state or by any of its political subdivisions, as well as  
746 all stormwater fees and other municipal assessments.

747 (l) Up to 75 percent of the ad valorem taxes collected  
748 on any and all real property, except any state or school  
749 district ad valorem tax, conveyed by a local land bank  
750 authority shall be remitted to the local land bank authority.  
751 The specific percentage of the taxes to be remitted shall be  
752 set forth in the local law, ordinance, resolution, or  
753 intergovernmental contract of the local land bank authority.  
754 The allocation of ad valorem tax revenues shall commence with  
755 the first taxable year following the date of conveyance and  
756 shall continue for a period of five consecutive tax years. The



### SB3 INTRODUCED

757 funds shall be remitted to the local land bank authority in  
758 accordance with the administrative procedures established by  
759 the tax commissioner or tax collecting official of the county  
760 in which the local land bank authority is located. The  
761 allocation of ad valorem tax revenues shall not occur if the  
762 taxes have been previously pledged to secure a tax increment  
763 financing debt of the authorizing governmental subdivision  
764 creating the tax increment district pursuant to Chapter 99 of  
765 Title 11, unless the authorizing subdivision enters into an  
766 agreement with the local land bank authority for the  
767 remittance of the funds to the local land bank authority."

768 Section 2. Sections 24-9-11 and 24-9-12 are added to  
769 the Code of Alabama 1975, to read as follows:

770 §24-9-11

771 (a) A local land bank authority may convey ownership  
772 of, or interest in, real property to a state or local  
773 governmental entity for purposes of floodplain management or  
774 stormwater drainage in the event of all of the following:

775 (1) Floodplain management or stormwater retention or  
776 drainage is the highest and best use of the real property.

777 (2) As a result of housing and building code  
778 restrictions, floodplain elevations, and other local, state,  
779 or federal law or public and private agreements, conditions,  
780 and limitations, the real property is no longer suitable for  
781 development or redevelopment.

782 (b) (1) A local land bank authority may convey ownership  
783 of, or interest in, real property under this section by grant,  
784 deed, lease, or other form of conveyance, and may include



### SB3 INTRODUCED

785 additional limitations, restrictions, and conditions to be  
786 determined by the local land bank authority.

787 (2) Consideration for the conveyance may be any of the  
788 following not otherwise prohibited by law:

789 a. A nominal monetary payment.

790 b. A contractual obligation in favor of the party to  
791 which the real property is being conveyed.

792 c. An exchange of real property.

793 d. Other consideration determined by the local land  
794 bank authority and the party to whom the real property is to  
795 be conveyed.

796 §24-9-12

797 (a) Upon declaring a state of emergency caused by a  
798 natural disaster that causes widespread damage to, and  
799 destruction of, real property and improvements and dislocation  
800 of residents, the Governor may create a local land bank  
801 authority in accordance with this section.

802 (1) The Governor may issue an executive order providing  
803 for the immediate creation of a local land bank authority of a  
804 local government located in whole or in part in a geographical  
805 area that is subject to the declaration of the state of  
806 emergency.

807 (2) The executive order shall provide for incorporation  
808 and certification of the local land bank authority as required  
809 under this chapter.

810 (b) Any local land bank authority created pursuant to  
811 this section shall have all powers of a local land bank  
812 authority created pursuant to Section 24-9-10.



### SB3 INTRODUCED

813 (c) Upon the necessary and appropriate action of the  
814 local governments having jurisdiction over the geographical  
815 areas subject to the declaration of the state of emergency, a  
816 local land bank authority created pursuant to this section may  
817 be converted into a local land bank authority created pursuant  
818 to Section 24-9-10, at which time the local land bank  
819 authority shall be the successor in interest and at law to the  
820 local land bank authority created pursuant to this section.

821 (d) In the event that a local land bank authority  
822 created pursuant to this section is not converted pursuant to  
823 subsection (c), 12 months following the date of the Governor's  
824 executive order, the local land bank authority created by the  
825 executive order shall be dissolved in accordance with the  
826 provisions of the Governor's executive order.

827 Section 3. Sections 40-1-3, 40-10-1, 40-10-18,  
828 40-10-29, 40-10-120, 40-10-184, 40-10-197, and 40-10-199, Code  
829 of Alabama 1975, are amended to read as follows:

830 "§40-1-3

831 From and after October 1 of each year, when property  
832 becomes assessable the state shall have a lien upon each and  
833 every piece or parcel of real property owned by any taxpayer  
834 for the payment of all taxes which may be assessed against him  
835 or her and upon each piece and parcel of property real or  
836 personal assessed to owner unknown, which lien shall continue  
837 until ~~such~~the taxes are paid, and the county shall have a like  
838 lien thereon for the payment of the taxes which may be  
839 assessed by it; and, if ~~such~~the real property is within the  
840 limits of a municipal corporation, ~~such~~the municipal



### SB3 INTRODUCED

841 corporation shall have a like lien thereon for the payment of  
842 the taxes which may be assessed by it. These liens shall be  
843 superior to all other liens and shall exist in the order  
844 named, and each of ~~such~~the liens may be enforced and  
845 foreclosed by sale for taxes as provided in this title, or as  
846 other liens upon property are enforced, except as otherwise  
847 provided by ~~laws~~law. These taxes and liens shall include any  
848 and all liens transmitted to the tax collecting official by  
849 counties and municipal corporations in accordance with  
850 Sections 11-40-35, 11-53B-16, 11-67-66, 45-37A-53, and any  
851 other state law authorizing the transmittal of nuisance  
852 abatement liens for weed removal and grass cutting."

853           "§40-10-1

854           (a) The probate court of each county may order the sale  
855 of lands therein for the payment of taxes assessed on the  
856 lands, or against the owners of the lands, when the tax  
857 collector shall report to the court that he or she or the  
858 holder of a tax lien issued pursuant to Acts 1995, No. 95-408  
859 was unable to collect the taxes assessed against the land, or  
860 any mineral, timber or water right or special right, or  
861 easement therein, or the owner thereof, without a sale of the  
862 land.

863           (b) For purposes of any enforcement proceedings under  
864 this chapter, the taxes due shall include any and all liens of  
865 a municipality for housing and building code violations and  
866 enforcement actions and nuisance abatement assessment liens  
867 which are transmitted to the tax collecting official in  
868 accordance with Title 11."





### SB3 INTRODUCED

869           "§40-10-18

870           (a) If no person ~~shall bid~~bids for any real  
871 ~~estate~~property offered at ~~such~~the sale an amount ~~sufficient to~~  
872 ~~pay the sum~~ greater than the minimum bid specified in the  
873 decree of sale, and the costs and expenses subsequently  
874 accruing, and no minimum bid is tendered by a local government  
875 or a local land bank authority, the judge of probate shall bid  
876 in ~~such real estate~~the real property for the state at ~~a price~~  
877 ~~not exceeding the sum specified in such decree and such~~  
878 ~~subsequently accruing cost and expenses~~the minimum bid. In no  
879 event shall the judge of probate bid in for the state less  
880 than the entire amount of real ~~estate~~property included in any  
881 assessment.

882           (b) If no person bids for any real property offered at  
883 the sale in an amount greater than the minimum bid specified  
884 in the decree of sale, and the costs and expenses subsequently  
885 accruing, a local government or local land bank authority in  
886 which the real property is located may tender a bid for the  
887 minimum amount which bid shall be accepted and a certificate  
888 of purchase issued to the entity. The tender of the minimum  
889 bid in accordance with this subsection shall be for cash with  
890 a credit for any and all components of the minimum bid already  
891 due and payable to the county, municipality, and school board  
892 whose taxes and liens compose part of the minimum bid."

893           "§40-10-29

894           (a) After the expiration of three years from the date  
895 of the sale of any real estate for taxes, the judge of probate  
896 then in office must execute and deliver to the purchaser,



### SB3 INTRODUCED

897 other than the state, or person to whom the certificate of  
898 purchase has been assigned, upon the return of the  
899 certificate, proof that all ad valorem taxes have been paid,  
900 and payment of a fee of five dollars (\$5) to the judge of  
901 probate, a deed to each lot or parcel of real ~~estate~~property  
902 sold to the purchaser and remaining unredeemed, including  
903 ~~therein~~, if desired by the purchaser, any number of parcels,  
904 or lots purchased by him or her at ~~such~~the sale; and ~~such~~the  
905 deed shall convey to and vest in the grantee all the right,  
906 title, interest, and estate of the person whose duty it was to  
907 pay the taxes on ~~such~~the real ~~estate~~property and the lien and  
908 claim of the state and county thereto, but it shall not convey  
909 the right, title, or interest of any reversioner or  
910 remainderman therein.

911 (b) After the expiration of one year from the sale for  
912 the minimum bid to a local government or local land bank  
913 authority, upon return of the certificate of purchase, the  
914 judge of probate shall execute and deliver to the entity a  
915 deed to the real property sold to the entity. The deed shall  
916 convey to, and vest in, the grantee all of the right, title,  
917 interest, and estate of any and all persons having an interest  
918 in the real property as of the date of the sale."

919 "§40-10-120

920 (a) (1) Except as otherwise provided in this subsection,  
921 real property ~~Real estate~~ which hereafter may be sold for  
922 taxes and purchased by the state may be redeemed at any time  
923 before the title passes out of the state or, if purchased by  
924 any other purchaser, may be redeemed at any time within three



### SB3 INTRODUCED

925 years from the date of the sale by the owner, his or her  
926 heirs, or personal representatives, or by any mortgagee or  
927 purchaser of ~~such lands, or any part thereof~~all or part of the  
928 real property, or by any person having an interest ~~therein, or~~  
929 ~~in any part thereof~~in all or part of the real property, legal  
930 or equitable, in severalty or as tenant in common, including a  
931 judgment creditor or other creditor having a lien thereon, or  
932 on any part thereof; and an infant or ~~insane~~ person of unsound  
933 mind entitled to redeem at any time before the expiration of  
934 three years from the sale may redeem at any time within one  
935 year after the removal of the disability; and ~~such~~the  
936 redemption may be of any part of the ~~lands so~~real property  
937 sold, which includes the whole of the interest of the  
938 redemptioner. If the mortgage or other instrument creating a  
939 lien under which a party seeks to redeem is duly recorded at  
940 the time of the tax sale, the party shall, in addition to the  
941 time herein specified, have the right to redeem the ~~real~~  
942 ~~estate~~real property sold, or any portion thereof covered by  
943 his or her mortgage or lien, at any time within one year from  
944 the date of written notice from the purchaser of his or her  
945 purchase of the ~~lands~~real property at tax sale served upon  
946 ~~such~~the party, and notice served upon either the original  
947 mortgagees or lienholders or their transferee of record, or  
948 their heirs, personal representatives, or assigns shall be  
949 sufficient notice.

950 (2) When any real property is sold for taxes and has  
951 also been sold in one or more prior sales for taxes without  
952 redemption from the prior tax sales, the three-year period for



### SB3 INTRODUCED

953 redemption shall be measured from the date of the earliest  
954 sale of the real property for taxes.

955 (3) When any real property is sold for taxes at the  
956 minimum bid specified in the decree of sale, and the real  
957 property is not lawfully occupied as a residence as of the  
958 date of the sale, the period for redemption shall be one year  
959 from the date of the sale if one or both of the following  
960 conditions apply:

961 a. The minimum bid included amounts attributable to one  
962 or more housing and building code liens or nuisance abatement  
963 liens.

964 b. Housing and building code liens, or nuisance  
965 abatement liens, had been filed of record prior to the date of  
966 the sale.

967 (4) When any real property is sold to a local  
968 government or local land bank authority in accordance with  
969 Section 40-10-18 for the minimum bid specified in the decree  
970 of sale and the costs and expenses subsequently accruing, the  
971 period for redemption shall be one year from the date of the  
972 sale.

973 (b) If any real property has been sold for taxes and is  
974 subject to redemption from the sale as set forth in subsection  
975 (a) and has also been sold in one or more subsequent sales for  
976 taxes, then any party entitled to redeem ~~such~~the sale for  
977 taxes may redeem ~~such~~the sale if the redemptioner  
978 simultaneously redeems his or her sale and all subsequent  
979 sales. In the event of a redemption of successive sales, the  
980 redemption amount shall be ascertained by applying the



### SB3 INTRODUCED

981 provisions of Sections 40-10-121 and 40-10-122. Redemption  
982 amounts computed pursuant to Section 40-10-121 shall be paid  
983 as stated ~~therein~~ in that section. Redemption amounts computed  
984 pursuant to Section 40-10-122 shall be paid as stated  
985 ~~therein~~ in that section if the purchaser had the right to  
986 redeem pursuant to subsection (a) or was the owner of the then  
987 current tax certificate or tax title. Otherwise, those funds  
988 shall be disposed of as set forth in Section 40-10-28 and paid  
989 to ~~such~~ the purchaser or his or her assignee only as set forth  
990 in Section 40-10-28, with the time limits for ~~such~~ the  
991 application computed utilizing the sale date when the  
992 purchaser's interest was sold for taxes."

993           "§40-10-184

994           (a) On the day and time designated for a tax lien  
995 auction, the tax collecting official shall proceed to auction  
996 all tax liens described in the tax lien auction list compiled  
997 as provided in Section 40-10-183, except those for which the  
998 taxes, penalties, interest, fees, and costs ~~thereon~~ due on the  
999 real property have been paid. Any tax lien unsold after a tax  
1000 lien auction shall be retained by the county for future  
1001 auction or sale as provided in this article.

1002           (b) A tax lien shall be sold at auction pursuant to  
1003 this article to the person who pays all taxes, interest,  
1004 penalties, fees, and costs due on the ~~property~~ real property,  
1005 including an origination cost of twenty dollars (\$20) as of  
1006 the date of auction and a twenty dollar (\$20) auction fee, and  
1007 who, in addition, bids the lowest interest rate on the amount  
1008 required to be paid to redeem the ~~property~~ real property from



### SB3 INTRODUCED

1009 the sale. The beginning interest rate bid shall not exceed a  
1010 rate of 12 percent and additional bids may be made at a rate  
1011 less than the immediately preceding bid. If the interest rate  
1012 bid for the ~~property~~real property reaches 0.00 percent and  
1013 more than one bidder remains, the tax collecting official  
1014 shall draw lots to determine the winning bidder for the  
1015 ~~property~~real property, unless a bid for 0.00 percent is  
1016 submitted by a local government or a local land bank  
1017 authority. If a bid for 0.00 percent is submitted by a local  
1018 government or a local land bank authority, the bid shall be  
1019 accepted as the successful bid. The tender of the bid by a  
1020 local government or local land bank authority shall be for  
1021 cash with a credit for any and all components of the minimum  
1022 bid already due and payable to the county, municipality, and  
1023 school board whose taxes and liens compose part of the minimum  
1024 bid.

1025 (c) The sale of a tax lien does not extinguish any deed  
1026 restriction, deed covenant, or easement on or appurtenant to  
1027 the parcel. A tax lien offered for auction or sale shall be  
1028 identified by a uniform parcel number and a legal  
1029 description."

1030 "§40-10-197

1031 (a) (1) Except as otherwise provided in this subsection,  
1032 at~~At~~ any time not less than three years after the auction or  
1033 sale of a tax lien but not more than 10 years after the  
1034 auction or sale, if the tax lien has not been redeemed, a  
1035 holder of all of the sold tax lien certificates for a parcel  
1036 of ~~property~~real property may bring in the circuit court of the



### SB3 INTRODUCED

1037 county in which the ~~property~~real property is located an action  
1038 to foreclose the right to redeem and quiet title to the  
1039 ~~property~~real property in the name of the holder of the tax  
1040 lien certificate. If any applicable law or court order  
1041 prohibits bringing an action to foreclose the right to redeem  
1042 and quiet title to the ~~property~~real property, the limitation  
1043 provided in this section shall be extended 12 months following  
1044 the termination of the prohibition.

1045 (2) When any tax lien is auctioned and sold for taxes  
1046 and the underlying real property has also been subject to one  
1047 or more tax lien auctions and sales which tax liens have not  
1048 been redeemed, the three-year period for redemption shall be  
1049 measured from the date of the earliest sale of the unredeemed  
1050 tax lien.

1051 (3) When any tax lien is sold for taxes at the minimum  
1052 bid specified in the decree of sale, and the real property is  
1053 not lawfully occupied as a residence as of the date of the  
1054 sale, the period for redemption shall be one year from the  
1055 date of the sale if either of the following conditions apply:

1056 a. The minimum bid included amounts attributable to one  
1057 or more housing and building code liens or nuisance abatement  
1058 liens.

1059 b. Housing and building code liens, or nuisance  
1060 abatement liens, had been filed of record prior to the date of  
1061 the sale.

1062 (4) When any tax lien is sold to a local government or  
1063 local land bank authority in accordance with Section 40-10-184  
1064 for the minimum bid specified in the decree of sale and the



### SB3 INTRODUCED

1065 costs and expenses subsequently accruing, the period for  
1066 redemption shall be one year from the date of the sale.

1067 (b) (1) At least 30 days before filing a tax lien  
1068 foreclosure action under this article, but not more than 180  
1069 days before the action is commenced, the holder of the tax  
1070 lien certificates shall send notice of intent to file the  
1071 foreclosure action by certified mail to all of the following:

1072 a. The ~~property~~real property owner of record, according  
1073 to the property tax records of the county in which the  
1074 ~~property~~real property is located, at the owner's address shown  
1075 in the records and at the street address of the ~~property~~real  
1076 property if different.

1077 b. All holders of outstanding mortgages, judgment  
1078 liens, or other liens on the ~~property~~real property as recorded  
1079 in the probate office of the county in which the ~~property~~real  
1080 property is located.

1081 c. The tax collecting official of the county in which  
1082 the ~~property~~real property is located.

1083 (2) The notice shall include the ~~property~~real property  
1084 owner's name, the uniform parcel number, the legal description  
1085 of the ~~property~~real property, the name and address of the  
1086 holder of the tax lien certificate, and a statement that the  
1087 holder proposes to file a tax lien foreclosure action as soon  
1088 as 30 but not later than 180 days after the date of mailing of  
1089 the notice. If the holder fails to send the notice required by  
1090 this subsection, the court shall dismiss any tax lien  
1091 foreclosure action filed under this article.

1092 (c) The holder shall name as parties defendant to the





### SB3 INTRODUCED

1093 tax lien foreclosure action all persons entitled to redeem  
1094 under this article. Upon filing the tax lien foreclosure  
1095 action, the holder shall record a notice as provided by  
1096 Section 35-4-131.

1097 (d) (1) In a tax lien foreclosure action, if the court  
1098 finds that the tax lien auction or sale is valid, that proper  
1099 notice has been given, that the holder is the holder of all of  
1100 the sold tax certificates on the property, and that the tax  
1101 liens have not been redeemed, the court shall enter judgment  
1102 foreclosing the right of the defendant or defendants to redeem  
1103 and shall direct the circuit clerk to execute and deliver to  
1104 the party in whose favor judgment is entered a deed conveying  
1105 the interests of the defendants in the ~~property~~real property  
1106 described in the tax lien certificates.

1107 (2) After entry of judgment, a party whose rights to  
1108 redeem the tax liens are foreclosed has no further legal or  
1109 equitable right, title, or interest in the ~~property~~real  
1110 property subject to the right of appeal and stay of execution  
1111 as in other civil actions.

1112 (e) The foreclosure of the right to redeem does not  
1113 extinguish any easement or right-of-way on or appurtenant to  
1114 the ~~property~~real property or rights of any public utility or  
1115 governmental entity in the ~~property~~real property.

1116 (f) (1) The clerk's deed executed in accordance with  
1117 subsection (d) shall include all of the following information:

- 1118 a. The date of the judgment.
- 1119 b. The number and style of the case.
- 1120 c. The name of the plaintiff, who shall be stated as



### SB3 INTRODUCED

1121 the grantee.

1122 d. The legal description of the ~~property~~real property.

1123 e. The uniform parcel number of the ~~property~~real  
1124 property.

1125 f. The date of the conveyance.

1126 (2) The original deed shall be delivered to the  
1127 plaintiff for recording in the probate records in the county  
1128 in which the ~~property~~real property is located.

1129 (g) Any person who is entitled to redeem under this  
1130 article may redeem at any time before judgment is entered,  
1131 notwithstanding that an action to foreclose has been  
1132 commenced, by paying into the circuit court the redemption  
1133 amount that would have been paid to the tax collecting  
1134 official under Section 40-10-193 plus any other amounts  
1135 determined by the court under this section. If the person who  
1136 redeems has been served personally or by publication in the  
1137 action, or if the person became an owner after the action  
1138 began and redeems after a notice is recorded pursuant to  
1139 subsection (c), the redeeming party shall also pay into the  
1140 court with the redemption amount the costs incurred by the  
1141 plaintiff in the action, including reasonable attorney fees  
1142 actually incurred, to be determined by the court. The court  
1143 shall then order the tax lien certificates ~~cancelled~~canceled  
1144 and the tax liens void, the redemption amount be paid to the  
1145 tax collecting official, and the costs and attorney fees be  
1146 paid to the plaintiff.

1147 (h) If a tax lien that was purchased pursuant to this  
1148 article is not redeemed and the holder of the tax lien



### SB3 INTRODUCED

1149 certificate fails to commence a tax lien foreclosure action on  
1150 or before 10 years from the date of the tax lien certificate,  
1151 the tax lien certificate shall expire and the lien shall  
1152 become void.

1153 (i) If a judicial proceeding prohibits bringing a tax  
1154 lien foreclosure action, the time of expiration under this  
1155 section shall be extended by 12 months following the  
1156 completion of the judicial proceeding."

1157 "§40-10-199

1158 (a) Tax liens that are not sold at the tax lien auction  
1159 conducted by the tax collecting official shall be separated in  
1160 the tax lien auction list as prescribed by Section 40-10-183  
1161 and the county shall retain the lien pursuant to Section  
1162 40-1-3. The~~The~~Except as otherwise provided in this subsection,  
1163 the tax collecting official, within 45 days after the tax lien  
1164 auction date, may sell at private sale an unsold tax lien for  
1165 no less than all taxes, interest, penalties, costs, and fees.  
1166 A local land bank authority may acquire the unsold tax lien  
1167 for cash with a credit for any and all components of the tax  
1168 lien aggregate amount due and payable to the county,  
1169 municipality, and school board. The purchaser at private sale  
1170 shall be entitled to interest on the amount paid at a rate  
1171 agreed to by the tax collecting official, not to exceed 12  
1172 percent. All private tax lien sales shall be entered in the  
1173 record of tax lien auctions and sales, as provided in Section  
1174 40-10-188.

1175 (b) All tax liens that remain unsold by the tax lien  
1176 auction or sale shall be included in all future tax lien



### SB3 INTRODUCED

1177 auctions or sales until sold.

1178 (c) Any tax lien that does not sell at auction shall be  
1179 reported to the county commission when seeking approval of  
1180 errors in assessments, ~~litigations~~litigation, or insolvents as  
1181 the tax collecting official will be allowed credit for taxes  
1182 due to this state upon final settlement with the state  
1183 Comptroller."

1184 Section 4. This act shall become effective on October  
1185 1, 2024.