

SB342 INTRODUCED



1 SB342
2 FKIXSCC-1
3 By Senators Coleman-Madison, Coleman, Smitherman, Stewart,
4 Singleton, Hatcher
5 RFD: County and Municipal Government
6 First Read: 22-Apr-25



4 SYNOPSIS:

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

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

17 This bill would provide for the creation of
18 multijurisdictional local land bank authorities by
19 intergovernmental agreements and a property tax
20 exemption for a property owned by a local land bank
21 authority; authorize local governments to allocate a
22 portion of local property tax revenues to local land
23 bank authorities; authorize a local land bank authority
24 to convey properties to state and local governments for
25 flood plain management and storm water drainage; and
26 authorize the Governor to create a local land bank
27 authority by executive order following a declaration of
28 state of emergency.



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

A BILL
TO BE ENTITLED
AN ACT

Relating to land bank authorities; to amend Sections 24-9-4, 24-9-5, 24-9-6, 24-9-7, 24-9-8, 24-9-10, 40-1-3, 40-10-1, 40-10-18, 40-10-29, 40-10-120, and Sections 40-10-184 and 40-10-199 as last amended by Act 2024-324 of the 2024 Regular Session, Code of Alabama 1975; to add Sections 24-9-11 and 24-9-12 to the Code of Alabama 1975; to provide for the creation of multijurisdictional local land bank authorities; to further authorize the acquisition of tax delinquent property and tax liens by local land bank authorities; to further provide for the exemption of local land bank authority property from taxes and fees; to provide for the allocation of a portion of the ad valorem taxes on certain property conveyed to a local land bank authority to the authority; to further provide for the conveyance of local land bank authority property; to authorize the Governor to create local land bank authorities in the event of a state of emergency; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:



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Section 1. Sections 24-9-4, 24-9-5, 24-9-6, 24-9-7, 24-9-8, 24-9-10, 40-1-3, 40-10-1, 40-10-18, 40-10-29, 40-10-120, and Sections 40-10-184, and 40-10-199 as last amended by Act 2024-324 of the 2024 Regular Session, as last amended by Code of Alabama 1975, are amended to read as follows:

"§24-9-4

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

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

(2) AUTHORITY. The Alabama Land Bank Authority.

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

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

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

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

"§24-9-5

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

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

(1) Four residents of the state appointed by the



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Governor.

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

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

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

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

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

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

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

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

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

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

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

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

(c) The members of the board shall serve ~~four~~ yearfour-year terms. In appointing the initial members of the board under subdivision (b) (1) ~~of subsection (b)~~, the Governor shall designate two to serve four years, one to serve three



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years, and one to serve two years.

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

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

(f) The board shall elect from its membership a chair, vice chair, and secretary-treasurer. The board shall adopt rules to govern its proceedings. A majority of the membership of the board shall constitute a quorum for all meetings.

Approval by a majority of the membership shall be necessary for any action to be taken by the authority. All meetings shall be open to the public, except as otherwise permitted by the Alabama Open Meetings Act, and a written record shall be maintained of all meetings.

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

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

(i) The authority shall be a public body corporate and politic with the power to accept and issue deeds in its name,



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including, without limitation, the acceptance of real property in accordance with this chapter, and to institute quiet title actions as provided in Section 24-9-8, and shall have any other powers necessary and incidental to carry out the powers and the purpose granted by this chapter.

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

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

"§24-9-6

(a) The authority, at such times as it deems to be appropriate, may submit a written request to the Land Commissioner of the Alabama Department of Revenue for the transfer of the state's interest in certain properties to the authority. Upon receipt of ~~such~~ the request, the Land Commissioner shall issue a tax deed conveying the state's interest in the property to the authority. The authority shall not be required to pay the amount deemed to have been bid to



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cover delinquent taxes or any other amount in order to obtain the tax deed.

(b) (1) Delinquent property that may be transferred by the Land Commissioner to the authority shall be limited to parcels located outside the geographic boundaries of a local land bank authority that have been bid in for the state pursuant to Chapter 10 of Title 40 for at least three years and the state's interest in real property acquired pursuant to Chapter 29 of Title 40 for delinquent taxes administered by the state and held for at least three years. The three-year period shall not apply to properties encumbered by one or more housing, building code, or nuisance abatement liens.

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

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

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

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

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



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197 "§24-9-7

198 (a) The authority shall adopt rules for the disposition
199 of property in which the authority holds a legal interest,
200 which rules shall address the conditions set forth in this
201 section.

202 (b) The authority may manage, maintain, protect, rent,
203 repair, insure, alter, convey, sell, transfer, exchange, lease
204 as lessor, or otherwise dispose of property or rights or
205 interests in property in which the authority holds a legal
206 interest to any public or private person for value determined
207 by the authority on terms and conditions, and in a manner and
208 for an amount of consideration the authority considers proper,
209 fair, and valuable, including for no monetary consideration.
210 The transfer and use of property under this section and the
211 exercise by the authority of powers and duties under Act
212 2013-249 shall be considered a necessary public purpose and
213 for the benefit of the public.

214 (c) (1) Before the authority may sell, lease, exchange,
215 trade, or otherwise dispose of any property, it shall either:

216 ~~+(1)~~ a. Establish a purchase price and conditions for
217 sale purposes ~~+~~ ;

218 ~~+(2)~~ b. Establish a price and conditions for rent or
219 lease purposes ~~+~~ ; or

220 ~~+(3)~~ c. Establish the conditions for trade, exchange, or
221 other disposal of the property.

222 (2) The conditions made pursuant to ~~this~~
223 ~~subsection~~ subdivision (1) may include a requirement that the
224 transferee must provide a development plan or execute a



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development agreement with the authority specifying the transferee's commitments regarding the development of the property and the time frame within which the development must occur, the range of permitted uses for the property, and any restrictions on its subsequent resale or transfer.

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

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

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

(f) The authority shall not sell, trade, exchange, or otherwise dispose of any property held by the authority to any party who had an interest in the property at the time it was tax delinquent or to any party who transferred the party's interest in the property to the authority by sale, trade,



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exchange, or otherwise, unless the person pays all the taxes, interest, municipal liens, penalties, fees, and any other charges due and owing under Chapter 10 and Chapter 29 of Title 40, including the amount to the Land Commissioner had the property not been transferred to the authority.

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

"§24-9-8

(a) The authority may initiate a quiet title action under this section to quiet title to real property held by the authority or interests in tax delinquent property held by the authority by undertaking the examination of title as required in subsection (b) and thereafter filing the petition as provided in subsection (c). Following the filing of the petition, the authority shall record with the office of the judge of probate in the county in which the property subject to quiet title action is located a notice of pending quiet title action. The notice shall include the name of the taxpayer whose interest was affected by the tax sale; the name of any other party as revealed by a search and examination of the title to the property who may claim an interest in the property; a legal description of the property; the street address of the property if available; the name, address, and telephone number of the authority; a statement that the property is subject to the quiet title proceedings under Act



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2013-249; a statement that any legal interests in the property may be extinguished by a circuit court order vesting title to the property in the authority; and the date, time, and place of the hearing on the petition to quiet title. Notwithstanding anything in this chapter to the contrary, no quiet title action and nothing in this chapter shall affect any right, title, or interest, whether recorded or unrecorded, in the subject property which was held at the time of the tax sale by any person or entity engaged in the generation, transmission, or distribution of electric power, natural gas, or telecommunications.

(b) ~~After the notice required under subsection (a) has been recorded,~~ Prior to filing the petition described in subsection (a), the record title to the property shall be examined and an opinion of title rendered by an attorney at law, who is licensed to practice law in this state, or a certificate of title shall be prepared by a title agent or title insurer duly licensed under the Alabama Title Insurance Act as set out in Section 27-25-1~~7~~, et seq., for the benefit of the authority in order to identify all owners of an interest in the property.

(c) Once the authority has identified the owners of interest in the property, the authority shall file a single petition with the clerk of the circuit court for the judicial district in which the property subject to foreclosure under this section is located listing all property subject to foreclosure by the authority and for which the authority seeks to quiet title. No such action shall be subject to the payment



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of filing fees. The list of properties shall include a legal description of, a tax parcel identification number for, and the street address of each parcel or property. The petition shall seek a judgment in favor of the authority against each property listed and shall include a date, within 90 days, on which the authority requests a hearing on the petition. The petition shall request that a judgment be entered vesting absolute title in the authority, without right of redemption for each parcel of property listed, as provided in this section. At any time during the pendency of this action, the authority may file a motion to release or dismiss a certain parcel or parcels of land from the petition, which release will not affect the remaining parcels of land subject to the petition.

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

(e) The authority shall serve all persons having record title or interest in or lien upon the property with a notice



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of the hearing on the petition to quiet title. ~~Such~~The service shall be attempted by personal service and by certified mail; provided if service is perfected by either method, the service will be sufficient to provide service of process upon all persons having record title or interest in or lien upon the property. If the persons entitled to service are located outside the county, they may be served by certified mail.

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

(1) The date on which the authority recorded, under subsection (a), the notice of the pending quiet title and foreclosure action~~;~~;

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

(3) A legal description, tax parcel identification number of the property, and the street address of the property~~;~~;

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

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

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

(g) In the event the sheriff is unable to perfect service or certified mail attempts are returned unclaimed, the



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authority shall conduct a search for the person with an interest in the property conveyed to the authority.

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

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

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

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

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

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

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

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



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

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

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

(k)(1) If the authority has made the search as required by this section and been unable to locate those persons required to be served under subsection (e), and has located additional addresses of those persons through the search and attempted without success to serve those persons in either manner provided by subsection (e), the authority shall provide notice by publication. Prior to the hearing, a notice shall be published once each week for three successive weeks in a newspaper of general circulation in the county in which the property is located. If no paper is published in that county, publication shall be made in a newspaper of general circulation in an adjoining county. This publication shall substitute for notice under this subsection or subsection (g). The published notice shall include the information required in subsection (f). Should the identity of some or all of the persons who may have an interest in the property be unknown, or should ~~such~~ the persons be infants or persons of unsound



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mind, the court shall appoint a guardian ad litem to represent and defend the interests of ~~such~~ the unknown, ~~infant~~ the infants, or ~~incompetent~~ the persons of unsound mind who are parties in the action.

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

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

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

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

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



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property.

e. That all existing recorded and unrecorded interests in the property are extinguished, except a recorded easement or right-of-way, restrictive covenant, prior reservation or severance of all mineral, mining, oil, and gas rights within and underlying the property, ~~such~~ the state of facts as shown on recorded plats, or restrictions or covenants imposed under the Alabama Land Recycling and Economic Development Act or any other environmental law in effect in the state, severed oil, gas, and mineral rights and mineral leases and agreements are excepted from Act 2013-249 and any quiet title action authorized herein.

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

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



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final order with respect to the property affected by the judgment.

(m) The authority or a person claiming to have an interest in property under this section may within 42 days following the effective date of the judgment under subsection (k) appeal the circuit court's judgment quieting title to the property to the court of appeals. An appeal under this subsection is limited to the record of the proceedings in the circuit court under this section. In the event of a timely appeal, the circuit court's judgment quieting title to the property shall be stayed until the court of appeals has reversed, modified, or affirmed that judgment. If an appeal under this subsection stays the circuit court's judgment, the circuit court's judgment is stayed only as to the property that is the subject of that appeal and the circuit court's judgment quieting title to other property that is not the subject of that appeal is not stayed.

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

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



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505 "§24-9-10

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

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

520 (c) A county and a municipality located within that
521 county may create a single land bank authority by an
522 intergovernmental agreement, so long as both the county and
523 the municipality each meet the criteria of subsections (a) and
524 (b). The intergovernmental agreement shall comply with all
525 provisions of subsections (d) and (e) and Chapter 102 of Title
526 11.

527 (d) Upon the adoption of the authorizing resolution,
528 the municipality or county, as the case may be, shall proceed
529 to incorporate the local land bank authority by filing for
530 record in the office of the judge of probate of the county a
531 certificate of incorporation which shall comply in form and
532 substance with the requirements of this section and which



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shall be in the form and executed in the manner herein provided. The certificate of incorporation of the local land bank authority shall state all of the following:

(1) The name of the local unit of government forming the local land bank authority.

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

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

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

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

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

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

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

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

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



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powers:

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

(2) To sue and be sued in its own name and to prosecute and defend civil actions in any court having jurisdiction of the subject matter and of the parties, including, but not limited to, actions to clear title to the property of the local land bank authority.

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

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

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

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

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

(8) To procure insurance or guarantees from the state



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or federal government for the payments of any debts or parts of debts incurred by the local land bank authority, and to pay premiums in connection with the insurance or guarantees.

(9) To enter into contracts and other instruments necessary, incidental, or convenient to the performance of its duties and the exercise of its powers, including, but not limited to, intergovernmental agreements under Chapter 102 of Title 11, for the joint exercise of powers under this chapter.

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

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

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

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

~~(14)~~ (14) Without the approval of a local unit of government in which property held by the local land bank



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authority is located, to control, hold, manage, maintain, operate, repair, lease as lessor, secure, prevent the waste or deterioration of, demolish, and take all other actions necessary to preserve the value of the property it holds or owns. ~~An~~A local land bank authority may take or perform the following actions with respect to property held or owned by the local land bank authority:

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

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

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

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

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

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



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a. The conveyance to the local land bank authority of tax delinquent property held by the municipality or county for title clearance, including, but not limited to, a quiet title and foreclosure action under Section 24-9-8.

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

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

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



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(17) To acquire a tax lien at an auction conducted in accordance with Section 40-10-184 by tendering a cash bid at an interest rate of 0.00 percent, which shall be accepted as the successful bid. The bid shall be tendered for cash, with a credit for any and all components of the minimum bid already due and payable to the county, municipality, and school board whose taxes and liens compose part of the minimum bid.

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

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

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

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

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



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(3) Lend, grant, transfer, or convey funds to a local land bank authority that are received from the federal government or this state or from any nongovernmental entity in aid of the purposes of ~~Aet 2013-249~~this chapter.

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

(1) Within its own geographical boundaries.

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

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

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



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~~any local authority created by any municipality or county.~~

~~(h)~~ (i) Any local land bank authority formed by a municipality or county pursuant to this section shall continue to exist in accordance with its articles of incorporation and this section in the event that the number of tax delinquent properties in the local jurisdiction forming the local land bank authority subsequently decreases to 100 or less.

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

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

(l) Up to 75 percent of the ad valorem taxes collected on any and all real property, except any state or school district ad valorem tax, conveyed by a local land bank authority shall be remitted to the local land bank authority. The specific percentage of the taxes to be remitted shall be set forth in the local law, ordinance, resolution, or intergovernmental contract of the local land bank authority.



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The allocation of ad valorem tax revenues shall commence with the first taxable year following the date of conveyance and shall continue for a period of five consecutive tax years. The funds shall be remitted to the local land bank authority in accordance with the administrative procedures established by the tax commissioner or tax collecting official of the county in which the local land bank authority is located. The allocation of ad valorem tax revenues shall not occur if the taxes have been previously pledged to secure a tax increment financing debt of the authorizing governmental subdivision creating the tax increment district pursuant to Chapter 99 of Title 11, unless the authorizing subdivision enters into an agreement with the local land bank authority for the remittance of the funds to the local land bank authority."

"§40-1-3

From and after October 1 of each year, when property becomes assessable the state shall have a lien upon each and every piece or parcel of real property owned by any taxpayer for the payment of all taxes which may be assessed against him or her and upon each piece and parcel of property real or personal assessed to owner unknown, which lien shall continue until ~~such~~the taxes are paid, and the county shall have a like lien thereon for the payment of the taxes which may be assessed by it; and, if ~~such~~the property is within the limits of a municipal corporation, ~~such~~the municipal corporation shall have a like lien thereon for the payment of the taxes which may be assessed by it. These liens shall be superior to all other liens and shall exist in the order named, and each



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of ~~such~~the liens may be enforced and foreclosed by sale for taxes as provided in this title, or as other liens upon property are enforced, except as otherwise provided by ~~laws~~law. These taxes and liens shall include any and all liens transmitted to the tax collecting official by counties and municipal corporations in accordance with Sections 11-40-35, 11-53B-16, 11-67-66, 45-37A-53, and any other state law authorizing the transmittal of nuisance abatement liens for weed removal and grass cutting."

"§40-10-1

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

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

"§40-10-18

(a) If no person ~~shall bid~~bids for any real ~~estate~~property offered at ~~such~~the sale an amount ~~sufficient to~~



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~~pay the sum~~greater than the minimum bid specified in the decree of sale, and the costs and expenses subsequently accruing, and no minimum bid is tendered by a local government or a local land bank authority, the judge of probate shall bid in ~~such real estate~~the real property for the state at ~~a price not exceeding the sum specified in such decree and such subsequently accruing cost and expenses~~the minimum bid. In no event shall the judge of probate bid in for the state less than the entire amount of real ~~estate~~property included in any assessment.

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

"§40-10-29

(a) After the expiration of three years from the date of the sale of any real estate for taxes, the judge of probate then in office must execute and deliver to the purchaser, other than the state, or person to whom the certificate of purchase has been assigned, upon the return of the certificate, proof that all ad valorem taxes have been paid,



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and payment of a fee of five dollars (\$5) to the judge of probate, a deed to each lot or parcel of real ~~estate~~property sold to the purchaser and remaining unredeemed, including ~~therein~~, if desired by the purchaser, any number of parcels, or lots purchased by him or her at ~~such~~the sale; and ~~such~~the deed shall convey to and vest in the grantee all the right, title, interest, and estate of the person whose duty it was to pay the taxes on ~~such~~the real ~~estate~~property and the lien and claim of the state and county thereto, but it shall not convey the right, title, or interest of any reversioner or remainderman therein.

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

"§40-10-120

(a) (1) Except as otherwise provided in this subsection,
real property ~~Real estate~~ which hereafter may be sold for taxes and purchased by the state may be redeemed at any time before the title passes out of the state or, if purchased by any other purchaser, may be redeemed at any time within three years from the date of the sale by the owner, his or her heirs, or personal representatives, or by any mortgagee or purchaser of ~~such lands, or any part thereof,~~ all or part of



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the real property, or by any person having an interest ~~therein, or in any part thereof~~ in all or part of the real property, legal or equitable, in severalty or as tenant in common, including a judgment creditor or other creditor having a lien thereon, or on any part thereof; and an infant or ~~insane~~ person of unsound mind entitled to redeem at any time before the expiration of three years from the sale may redeem at any time within one year after the removal of the disability; and ~~such~~ the redemption may be of any part of the ~~lands or~~ real property sold, which includes the whole of the interest of the redemptioner. If the mortgage or other instrument creating a lien under which a party seeks to redeem is duly recorded at the time of the tax sale, the party shall, in addition to the time herein specified, have the right to redeem the real ~~estate~~ property sold, or any portion thereof covered by his or her mortgage or lien, at any time within one year from the date of written notice from the purchaser of his or her purchase of the ~~lands~~ real property at tax sale served upon ~~such~~ the party, and notice served upon either the original mortgagees or lienholders or their transferee of record, or their heirs, personal representatives, or assigns shall be sufficient notice.

(2) When any real property is sold for taxes and has also been sold in one or more prior sales for taxes without redemption from the prior tax sales, the three-year period for redemption shall be measured from the date of the earliest sale of the real property for taxes.

(3) When any real property is sold for taxes at the



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minimum bid specified in the decree of sale and the real property is not lawfully occupied as a residence as of the date of the sale, the period for redemption shall be one year from the date of the sale if one or both of the following conditions apply:

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

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

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

(b) If any real property has been sold for taxes and is subject to redemption from the sale as set forth in subsection (a) and has also been sold in one or more subsequent sales for taxes, then any party entitled to redeem ~~such~~the sale for taxes may redeem ~~such~~the sale if the redemptioner simultaneously redeems his or her sale and all subsequent sales. In the event of a redemption of successive sales, the redemption amount shall be ascertained by applying the provisions of Sections 40-10-121 and 40-10-122. Redemption amounts computed pursuant to Section 40-10-121 shall be paid as stated ~~therein~~in that section. Redemption amounts computed



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pursuant to Section 40-10-122 shall be paid as stated
~~therein~~ in that section if the purchaser had the right to
redeem pursuant to subsection (a) or was the owner of the then
current tax certificate or tax title. Otherwise, those funds
shall be disposed of as set forth in Section 40-10-28 and paid
to ~~such~~ the purchaser or his or her assignee only as set forth
in Section 40-10-28, with the time limits for ~~such~~ the
application computed utilizing the sale date when the
purchaser's interest was sold for taxes."

"§40-10-184

(a) On the day and time designated for a tax lien
auction, the tax collecting official shall proceed to auction
all tax liens described in the tax lien auction list compiled
as provided in Section 40-10-183, except those for which the
taxes, penalties, interest, fees, and costs due on the real
property have been paid. Any tax lien unsold after a tax lien
auction shall continue pursuant to Section 40-1-3 for future
auction or sale as provided in this article. Interest shall
continue to accrue on unsold tax liens at the rate imposed on
delinquent real property taxes.

(b) (1) A tax lien shall be sold at auction pursuant to
this article to the person who: (i) pays all taxes due,
including unpaid taxes for previous years, interest,
penalties, fees, and costs due on the real property; (ii) pays
an administrative fee of forty-five dollars (\$45), effective
upon the preparation of the tax lien auction list, plus the
amount to be paid to the holder of a tax lien certificate who
has not exercised his or her first right to purchase as



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provided in Section 40-10-191; and (iii) bids the lowest interest rate on the amount required to be paid to redeem the real property from the sale.

(2) The beginning interest rate bid shall not exceed a rate of 12 percent, and additional bids may be made at a rate less than the immediately preceding bid.

(3) If an in-person auction ends in a tie and the winner cannot be determined, the tax collecting official shall draw lots to determine the winning bidder. If an online auction ends in a tie and the winner cannot be determined, the tie shall be resolved by a random number generator.

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

"§40-10-199

(a) Tax liens that are not sold at the tax lien auction conducted by the tax collecting official shall be separated in the tax lien auction list as prescribed by Section 40-10-183 and the lien shall continue pursuant to Section 40-1-3.

~~The~~Except as otherwise provided in this subsection, the tax collecting official, at any time after the tax lien auction date, may sell at private sale an unsold tax lien for no less than all taxes, interest, penalties, costs, and fees, plus the amount to be paid to the holder of a tax lien certificate who has not exercised his or her first right to purchase as provided in Section 40-10-191. A local land bank authority may



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acquire the unsold tax lien for cash with a credit for any and all components of the tax lien aggregate amount due and payable to the state, county, municipality, and school board.

The purchaser at private sale shall be entitled to interest on the amount paid at a rate agreed to by the tax collecting official, not to exceed 12 percent. All private tax lien sales shall be entered in the record of tax lien auctions and sales, as provided in Section 40-10-188.

(b) All tax liens that remain unsold by the tax lien auction or sale shall be included in all future tax lien auctions or sales until sold.

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

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

§24-9-11

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

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

(2) As a result of housing and building code restrictions, floodplain elevations, and other local, state,



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1009 or federal law or public and private agreements, conditions,
1010 and limitations, the real property is no longer suitable for
1011 development or redevelopment.

1012 (b) (1) A local land bank authority may convey ownership
1013 of, or interest in, real property under this section by grant,
1014 deed, lease, or other form of conveyance, and may include
1015 additional limitations, restrictions and conditions to be
1016 determined by the local land bank authority.

1017 (2) Consideration for the conveyance may be any of the
1018 following not otherwise prohibited by law:

1019 a. A nominal monetary payment.

1020 b. A contractual obligation in favor of the party to
1021 which the real property is being conveyed.

1022 c. An exchange of real property.

1023 d. Other consideration determined by the local land
1024 bank authority and the party to whom the real property is to
1025 be conveyed.

1026 §24-9-12

1027 (a) Upon declaring a state of emergency caused by a
1028 natural disaster that causes widespread damage to, and
1029 destruction of, real property and improvements and dislocation
1030 of residents, the Governor may create a local land bank
1031 authority in accordance with this section.

1032 (1) The Governor may issue an executive order providing
1033 for the immediate creation of a local land bank authority of a
1034 local government located in whole or in part in a geographical
1035 area that is subject to the declaration of the state of
1036 emergency.



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1037 (2) The executive order shall provide for incorporation
1038 and certification of the local land bank authority as required
1039 under this chapter.

1040 (b) Any local land bank authority created pursuant to
1041 this section shall have all powers of a local land bank
1042 authority created pursuant to Section 24-9-10.

1043 (c) Upon the necessary and appropriate action of the
1044 local governments having jurisdiction over the geographical
1045 areas subject to the declaration of the state of emergency, a
1046 local land bank authority created pursuant to this section may
1047 be converted into a local land bank authority created pursuant
1048 to Section 24-9-10, at which time the local land bank
1049 authority shall be the successor in interest and at law to the
1050 local land bank authority created pursuant to this section.

1051 (d) In the event that a local land bank authority
1052 created pursuant to this section is not converted pursuant to
1053 subsection (c) within 12 months following the date of the
1054 Governor's executive order, the local land bank authority
1055 created by the executive order shall be dissolved in
1056 accordance with the provisions of the Governor's executive
1057 order.

1058 Section 3. This act shall become effective on October
1059 1, 2025.