

HB502 ENGROSSED



1 HB502
2 DG53LNT-2
3 By Representative Bracy (N & P)
4 RFD: Mobile County Legislation
5 First Read: 24-Feb-26



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A BILL
TO BE ENTITLED
AN ACT

Relating to the City of Prichard in Mobile County; to authorize the City of Prichard to file an expedited quiet title and foreclosure action in circuit court to establish clear title to abandoned tax sale properties within the city limits that are acquired from the state land commissioner under Chapter 10 of Title 40, Code of Alabama 1975; and to provide for the procedure and due process for the action in circuit court.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall apply only to the City of Prichard in Mobile County.

Section 2. For the purpose of this act, "interested parties" means the owner, heirs of the owner, any mortgagee or purchaser of the subject property or any part of the property, and any party with a legal or equitable interest in the property, or any part of the property, in severalty or as tenant in common, including a judgment creditor or other creditor having a lien on the property or any part of the property. The term does not include holders of recorded or unrecorded easements or rights-of-way for utility services



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29 affecting the subject property.

30 Section 3. (a) The City of Prichard may initiate an
31 expedited quiet title and foreclosure action under this
32 section against a parcel of tax sale property within its
33 municipal limits which the municipality purchased from the
34 state land commissioner. The municipality shall record a
35 notice of its intention to file an expedited quiet title and
36 foreclosure action in the office of the judge of probate in
37 the county where the property is located. The notice shall
38 include a legal description of the property, the property's
39 street address if available, a statement that the property is
40 subject to expedited quiet title and foreclosure proceedings
41 under this act, and a statement that the proceedings may
42 extinguish any legal interests in the property.

43 (b) The municipality shall make a good-faith effort to
44 identify the interested parties and their addresses. The
45 municipality shall be presumed to have made a good-faith
46 effort to identify interested parties if it does all of the
47 following:

48 (1) Erects a sign measuring at least four feet by six
49 feet on the property and maintains it for a minimum of 30
50 days. The sign must read as follows: "THIS PROPERTY WAS SOLD
51 TO THE CITY OF PRICHARD FOR UNPAID TAXES. IF ANYONE HAS
52 INFORMATION ABOUT THE OWNER OF THIS PROPERTY, PLEASE CALL
53 _____."

54 (2) Examines the addresses appearing on the face of the
55 recorded deeds, mortgages, and relevant instruments.

56 (3) Examines the records of the tax assessor or revenue



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57 commissioner to identify the names and addresses of all
58 parties who paid taxes during the five-year period preceding
59 the date of the tax sale, provided that the municipality is
60 not required to search for parties who paid taxes more than 20
61 years before the year of the inquiry.

62 (4) If the interested party is an individual, the
63 municipality shall examine voter registration lists, municipal
64 archives for records of deaths, and probate court records of
65 estates opened in the county where the property is located.

66 (5) If the interested party is a business entity, the
67 municipality shall search the records of the Secretary of
68 State to find the name and address of a registered agent.

69 Section 4. The municipality may file a single petition
70 with the clerk of the circuit court for the judicial circuit
71 in which the subject property is located, seeking an order to
72 quiet title and expedite foreclosure of one or more parcels of
73 property under this act. The petition shall identify each
74 parcel by its tax parcel number and street address and shall
75 be served on all interested parties identified in accordance
76 with Section 3.

77 Section 5. Upon filing of the circuit court petition
78 under Section 4, the circuit court shall set the date, time,
79 and place for a hearing on the petition. A hearing on the
80 petition shall be no later than 90 days from the scheduling
81 order. On the request of a party, the court may extend the
82 90-day period for good cause shown.

83 Section 6. (a) No less than 30 days before the
84 scheduled date of the hearing on the quiet title and



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85 foreclosure petition, the municipality shall do both of the
86 following:

87 (1) Send a notice of the hearing to the interested
88 parties identified under Section 3 for each parcel named in
89 the petition by both certified mail, return receipt requested,
90 and regular mail.

91 (2) Post conspicuously on each property named in the
92 petition notice of the hearing including the following
93 statement: "THIS PROPERTY HAS BEEN TRANSFERRED TO THE CITY OF
94 PRICHARD AND IS SUBJECT TO AN EXPEDITED QUIET TITLE AND
95 FORECLOSURE ACTION. PERSONS WITH INFORMATION REGARDING THE
96 PRIOR OWNER OF THE PROPERTY ARE REQUESTED TO CONTACT THE CITY
97 OF PRICHARD."

98 (b) Notices provided to the interested parties under
99 this section shall include all of the following:

100 (1) The date the municipality recorded its notice of
101 the pending expedited quiet title and foreclosure action under
102 Section 3 in probate court.

103 (2) A legal description, tax parcel identification
104 number, and the street address of the property, if available.

105 (3) The interested party or parties to whom the notice
106 is addressed.

107 (4) The date, time, and place of the hearing on the
108 petition for expedited quiet title and foreclosure, and a
109 statement that the court's judgment may result in the
110 property's title vesting in the municipality.

111 (5) Notice that the court's judgment in the quiet title
112 and foreclosure hearing may extinguish any ownership interest



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113 in, liens against, right to redeem, or any claim whatsoever
114 secured by the property.

115 (6) The name, address, and telephone number of the
116 municipality.

117 (7) A statement requesting that persons with
118 information regarding the owner or prior owner of any of the
119 properties contact the municipality.

120 (8) That any party seeking to redeem the property will
121 be required to pay all taxes, interest, penalties, fees, and
122 any other charges due and owing under Chapter 10 of Title 40,
123 Code of Alabama 1975.

124 Section 7. If the municipality is unable to identify
125 the names and addresses of interested parties or to provide
126 notice under Section 6, it shall apply to the circuit court
127 for an order authorizing notice by publication. If so ordered,
128 the municipality shall publish a notice once each week for
129 three consecutive weeks in a newspaper of general circulation
130 in the county where the property is located. If no newspaper
131 is published in that county, publication shall be made in a
132 newspaper of general circulation in an adjoining county. This
133 publication shall substitute for notice under Section 6. The
134 published notice shall include the information listed in 6(b).
135 If the municipality discovers the name and address of an
136 interested party after publication, it shall notify that party
137 of the expedited quiet title and foreclosure action in
138 accordance with Section 6 as soon as practicable. In that
139 case, notice shall be brought to the attention of the court,
140 which shall postpone the hearing for a period of time



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141 sufficient to give such notice to the newly discovered party.

142 Section 8. Before the circuit court hearing on the
143 expedited quiet title and foreclosure action, the municipality
144 shall file with the clerk of the circuit court proof of notice
145 to the interested parties by certified and regular mail, proof
146 of posting on the property under Section 6, and, if
147 applicable, proof of notice by publication under Section 7. An
148 interested party who seeks to contest the petition shall file
149 written objections with the clerk of the circuit court and
150 serve those objections on the municipality no later than 14
151 days before the hearing date. If the court denies the
152 petition, the denial shall not preclude the municipality from
153 filing another petition for expedited quiet title and
154 foreclosure on that parcel. No injunction shall issue to stay
155 an expedited quiet title and foreclosure action under this
156 section.

157 Section 9. (a) If an interested party appears at the
158 hearing and asserts a right to redeem the property, the party
159 may redeem the property in accordance with Chapter 10 of Title
160 40, Code of Alabama 1975.

161 (b) If an interested party appears and fails to redeem,
162 or if no person appears, the circuit court shall enter
163 judgment on the petition no later than 10 days after the date
164 the matter was heard.

165 (c) The judgment of the circuit court shall specify all
166 of the following:

167 (1) The legal description, tax parcel identification
168 number, and, if known, the street address of the property



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169 foreclosed.

170 (2) That fee simple title to the property foreclosed by
171 the judgment is vested absolutely in the municipality, except
172 as otherwise provided in subdivision (5), without any further
173 rights of redemption.

174 (3) That all liens against the property, including any
175 lien for unpaid taxes or special assessments, are
176 extinguished.

177 (4) That the municipality has good and marketable fee
178 simple title to the property.

179 (5) That all existing recorded and unrecorded interests
180 in the property are extinguished, except for recorded or
181 unrecorded easements or rights-of-way for utility services,
182 other recorded easements or rights-of-way, private deed
183 restrictions, plat restrictions, or restrictions or covenants
184 imposed under the Alabama Land Recycling and Economic
185 Redevelopment Act or any other environmental law in effect in
186 the state.

187 (6) That the municipality provided notice to all
188 interested parties or that the municipality complied with the
189 notice procedures in Section 6. Compliance with the notice
190 procedures in Section 6 shall create a rebuttable presumption
191 that all interested parties received notice and an opportunity
192 to be heard.

193 Section 10. No later than 42 days after the judgment's
194 effective date, a municipality or interested party may appeal
195 the circuit court's judgment to the Court of Civil Appeals.
196 Any party appealing from an order vesting title in the



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197 municipality shall, as a condition of the appeal, identify the
198 parcel that is the subject of the appeal and, with respect to
199 that parcel, post a bond with at least one solvent surety in
200 the amount due to redeem the property under Chapter 10 of
201 Title 40, Code of Alabama 1975. The appeal shall stay the
202 circuit court's order only with respect to each parcel
203 identified as the subject of the appeal. The circuit court's
204 order shall be affirmed unless there is a defect in the
205 identification of the property or in the notice that deprived
206 a party of the right to due process of law. The order shall
207 not be reversed on the basis of mere technical noncompliance
208 with this section.

209 Section 11. The municipality shall record the court's
210 order in the probate court after the 42-day period following
211 the entry of the order, if no appeal is filed, or after a
212 final judgment on appeal of the circuit court's decision on
213 the municipality's petition for an expedited quiet title and
214 foreclosure action.

215 Section 12. This act shall become effective on June 1,
216 2026.



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House of Representatives

220 Read for the first time and referred24-Feb-26
221 to the House of Representatives
222 committee on Mobile County
223 Legislation
224
225 Read for the second time and placed19-Mar-26
226 on the calendar:
227 1 amendment
228
229 Read for the third time and passed31-Mar-26
230 as amended
231 Yeas 66
232 Nays 0
233 Abs 7

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John Treadwell
Clerk