- 1 HB47
- 2 146970-2
- 3 By Representative Clouse
- 4 RFD: Financial Services
- 5 First Read: 05-FEB-13
- 6 PFD: 01/24/2013

1	ENGROSSED
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3	
4	A BILL
5	TO BE ENTITLED
6	AN ACT
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8	To amend Section 40-10-28, Code of Alabama 1975, to
9	provide that only a person or entity who has redeemed property
10	sold at a tax sale may receive the excess paid by a tax sale
11	purchaser; to require that the excess be held in escrow in the
12	county treasury for three years until proper application for
13	payment of the escrow is made; and to provide that the excess
14	shall be paid into the county general fund for use by the
15	county if not claimed within 10 years.
16	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
17	Section 1. Section 40-10-28, Code of Alabama 1975,
18	is amended to read as follows:
19	"§40-10-28.
20	"The excess arising from the sale of any real estate
21	remaining after paying the amount of the decree of sale, and
22	including costs and expenses subsequently accruing, shall be
23	paid over to the owner, or his agent, or to the person legally
24	representing such owner, or into the county treasury, and it
25	may be paid therefrom to such owner, agent or representative
26	in the same manner as to the excess arising from the sale of
27	personal property sold for taxes is paid. If such excess is

1 not called for a person or entity who has redeemed the 2 property as authorized in Section 40-10-120 or any other provisions of Alabama law authorizing redemption from a tax 3 4 sale, provided proof that the person or entity requesting payment of the excess has properly redeemed the property is 5 presented to the county commission within three years after 6 7 such the tax sale by the person entitled to receive the same, 8 upon the order of the county commission stating the case or 9 cases in which such excess was paid, together with a 10 description of the lands sold, when sold and the amount of such excess, has occurred. Until and unless the property is 11 redeemed, the excess funds from the tax sale shall be held in 12 13 an escrow a separate account in the county treasurer shall 14 place such treasury during the three-year period. If at the 15 end of the three-year period there has been no proper request for the excess of money funds, those funds and any interest 16 earned on those funds shall be deposited to the credit of the 17 general fund of the county and make a record on his books of 18 the same, and such money shall thereafter be treated as part 19 of the general fund of the county. At any time within 10 years 20 21 after such excess has been passed to the credit of the general fund of the county the tax sale has occurred, the county 22 23 commission may shall on proof made by any person or entity 24 that he is the rightful owner of such excess of money property 25 has been properly redeemed by the person or entity under the general laws of the state, the county commission shall order 26 27 the payment thereof to such owner, his heir or legal

representative of the excess funds to such person or entity
and retain any interest earned on those funds, but if not so
ordered and paid within such time, the same shall become the
property of the county. Following redemption, any excess funds
including interest paid as required by this chapter, may be
remitted to the tax sale purchaser pursuant to the procedures
set forth in this chapter."

Section 2. The Department of Revenue shall 8 promulgate rules authorizing the county commission to issue a 9 10 voucher in the amount of the excess bid to a person or entity 11 which has paid all other costs of redemption as required 12 herein. The person or entity redeeming property may present 13 the voucher to the judge of probate in lieu of the amount 14 equal to the excess bid to complete the redemption process. The rules promulgated by the department shall include forms to 15 be utilized for issuing such vouchers. 16

17 Section 3. This act shall become effective on the 18 first day of the third month following its passage and 19 approval by the Governor, or its otherwise becoming law.

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3	House of Representatives
4 5 6	Read for the first time and re- ferred to the House of Representa- tives committee on Financial Ser-
7 8	vices 05-FEB-13
9 10	Read for the second time and placed on the calendar 1 amendment
11	
12 13	Read for the third time and passed as amended 26-FEB-13
14	Yeas 94, Nays 0, Abstains 0

Jeff Woodard Clerk