

1 HB397
2 127439-1
3 By Representative McMillan
4 RFD: County and Municipal Government
5 First Read: 23-FEB-12

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8 SYNOPSIS: Under existing law, if property is sold for
9 delinquent ad valorem taxes, the taxable purchaser
10 may pay an excess amount which may be paid over to
11 the delinquent taxpayer without redeeming the
12 property under certain circumstances.

13 This bill would provide that the excess from
14 the sale shall be paid to the county treasury until
15 the excess is applied to the redemption of the
16 property or the 3-year period for redemption period
17 has lapsed.

18 This bill would provide that after the
19 3-year redemption period has lapsed the excess
20 shall be paid to the owner or his or her agent at
21 the time of the sale or to any person who, since
22 the sale, has obtained title to the property from
23 the owner.

24 This bill would require the excess be called
25 for within 10 years of the sale or the excess shall
26 be placed in the county general fund.
27

1 A BILL
2 TO BE ENTITLED
3 AN ACT
4

5 To amend Section 40-10-28, Code of Alabama 1975,
6 relating to redemption of property sold for taxes; to provide
7 that the excess from sale of property shall be held in escrow
8 in the county treasury until the excess is applied to the
9 redemption of the property or the 3-year period for redemption
10 has lapsed; to provide that after the 3-year redemption period
11 has lapsed and within 10 years of the tax sale, the commission
12 shall order payment of excess to the property owner.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Section 40-10-28, Code of Alabama 1975,
15 is amended to read as follows:

16 "§40-10-28.

17 "The excess arising from the sale of any real estate
18 remaining after paying the amount of the decree of sale, and
19 costs and expenses subsequently accruing, shall be paid ~~over~~
20 ~~to the owner, or his agent, or to the person legally~~
21 ~~representing such owner, or into the county treasury,~~ and held
22 in escrow until the excess is applied to the redemption of the
23 real estate or the three-year period for redemption has
24 lapsed. After the three-year period for redemption has lapsed,
25 and within 10 years after the date of the tax sale, the county
26 commission shall order the payment of the excess in the same
27 manner as the excess arising from the sale of the personal

1 property for taxes is paid upon proof made by any person, or
2 his or her agent or representative, that he or she was the
3 rightful ~~it may be paid therefrom to such owner at the time of~~
4 the tax sale, or who, since the time of the tax sale, has
5 obtained title to the property from the rightful owner of the
6 property at the time of the tax sale ~~agent or representative~~
7 ~~in the same manner as to the excess arising from the sale of~~
8 ~~personal property sold for taxes is paid.~~ If such excess is
9 not called for within ~~three~~ 10 years after ~~such~~ the sale of
10 real estate for delinquent property taxes by the person
11 entitled to receive the same, upon the order of the county
12 commission stating the case or cases in which such excess was
13 paid, together with a description of the lands sold, when sold
14 and the amount of such excess, the county treasurer shall
15 place such excess of money to the credit of the general fund
16 of the county and make a record on his books of the same, and
17 such money shall thereafter be treated as part of the general
18 fund of the county. ~~At any time within 10 years after such~~
19 ~~excess has been passed to the credit of the general fund of~~
20 ~~the county, the county commission may on proof made by any~~
21 ~~person that he is the rightful owner of such excess of money~~
22 ~~order the payment thereof to such owner, his heir or legal~~
23 ~~representative, but if not so ordered and paid within such~~
24 ~~time, the same shall become the property of the county."~~

25 Section 2. This act shall become effective on the
26 first day of the third month following its passage and
27 approval by the Governor, or its otherwise becoming law.

