



JULIE P. MAGEE
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

July 11, 2013


MICHAEL E. MASON
Assistant Commissioner

JOE W. GARRETT, JR.
Deputy Commissioner

CURTIS E. STEWART
Deputy Commissioner

MEMORANDUM

To: All County Redemption Officials

From: Bill Bass, Director 
Property Tax Division

Re: Act 2013-370 of the 2013 Regular Session

On May 23, 2013 Governor Bentley signed HB47 into law as Act 2013-370 relating to excess funds received from the sale of tax delinquent property.

This Act will become effective August 1, 2013 for all redemptions taking place after this date. We have provided some general information for you use in administering this act. We will be providing further guidance once we have written an administrative rule as required by the legislation.

Upon receipt of payment of all costs of redemption less the amount of excess the county redemption official shall issue a "Certificate of Pending Redemption" to the person or entity redeeming the real estate. The person or entity making redemption must provide the "Certificate of Pending Redemption" to the county commission as proof that payment of all other costs associated with the redemption of the real estate have been paid. The county commission shall issue an "Excess Voucher" to the person or entity making redemption. The "Excess Voucher" may be presented by the person or entity making redemption to the redemption official in lieu of the amount equal to the excess funds to complete the redemption process.

Upon completion of all requirements for the proper redemption of any real estate, any excess funds including interest paid as required by Chapter 10 of Title 40, Code of Alabama, 1975 should be remitted to the tax sale purchaser pursuant to the procedures set forth in Chapter 10 of Title 40, Code of Alabama, 1975. The tax sale purchaser must surrender the certificate of assignment prior to receiving the excess funds and interest.

Until and unless the real estate is properly redeemed, the excess funds from the tax sale shall be held in a separate account in the county treasury during the three-year administrative redemption period. If at the end of the three-year administrative redemption period there has been no proper redemption and request for the excess funds, those funds and any interest earned on those funds shall be deposited to the credit of the general fund of the county and shall be treated as part of the general fund of the county.

At any time within 10 years after the tax sale has occurred, the county commission on proof made by any person or entity that the real estate has been properly redeemed by the person or entity under the general laws of the state, order the payment of the excess funds to the person or entity and retain any interest earned on those funds.

A copy of Act 20123-370 is included with this memorandum. The Certificate of Pending Redemption and the Excess Funds Voucher will be forthcoming. Should you have any questions about Act 2013-370 you may contact this office at 334-242-1525 or by email to the persons listed below.

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ACT 2013 - 370

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



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ENROLLED, An Act,

To amend Section 40-10-28, Code of Alabama 1975, to provide that only a person or entity who has redeemed property sold at a tax sale may receive the excess paid by a tax sale purchaser; to require that the excess be held in escrow in the county treasury for three years until proper application for payment of the escrow is made; and to provide that the excess shall be paid into the county general fund for use by the county if not claimed within 10 years.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§40-10-28.

"The On and after the effective date of the act adding this amendatory language, the excess arising from the sale of any real estate remaining after paying the amount of the decree of sale, and including costs and expenses subsequently accruing, shall be paid over to the owner, or his agent, or to the person legally representing such owner, or into the county treasury, and it may be paid therefrom to such owner, agent or representative in the same manner as to the excess arising from the sale of personal property sold for taxes is paid. If such excess is not called for a person or entity who has redeemed the property as authorized in Section

1 40-10-120 or any other provisions of Alabama law authorizing
2 redemption from a tax sale, provided proof that the person or
3 entity requesting payment of the excess has properly redeemed
4 the property is presented to the county commission within
5 ~~three years after such the tax sale by the person entitled to~~
6 ~~receive the same, upon the order of the county commission~~
7 ~~stating the case or cases in which such excess was paid,~~
8 ~~together with a description of the lands sold, when sold and~~
9 ~~the amount of such excess, has occurred. Until and unless the~~
10 property is redeemed, the excess funds from the tax sale shall
11 be held in an escrow a separate account in the county
12 ~~treasurer shall place such treasury during the three-year~~
13 period. If at the end of the three-year period there has been
14 no proper request for the excess of money funds, those funds
15 and any interest earned on those funds shall be deposited to
16 ~~the credit of the general fund of the county and make a record~~
17 ~~on his books of the same, and such money shall thereafter be~~
18 ~~treated as part of the general fund of the county. At any time~~
19 ~~within 10 years after such excess has been passed to the~~
20 ~~credit of the general fund of the county the tax sale has~~
21 occurred, the county commission may shall on proof made by any
22 person or entity that he is the rightful owner of such excess
23 of money property has been properly redeemed by the person or
24 entity under the general laws of the state, the county
25 commission shall order the payment ~~thereof to such owner, his~~

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

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

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

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Speaker of the House of Representatives

Kay Ivey

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 26-FEB-13, as amended.

Jeff Woodard
Clerk

Senate	<u>20-MAY-13</u>	Amended and Passed
House	<u>20-MAY-13</u>	Concurred in Senate Amendment

APPROVED May 23, 2013

TIME 4:30 p.m.

Robert Bentley
GOVERNOR

Alabama Secretary Of State

Act Num.... : 2013-370
Bill Num... : H-47

Recv'd 05/24/13 12:38pmSLF