

1 HB106
2 215052-2
3 By Representative Ellis
4 RFD: County and Municipal Government
5 First Read: 11-JAN-22

SYNOPSIS: Existing law provides for the sale of property for unpaid taxes through public auction. The public auctions are required to be held in person.

This bill would authorize the tax collecting official of a county to conduct public auctions through an online method and would provide for the procedures for to conduct the online auctions.

A BILL
TO BE ENTITLED
AN ACT

Relating to taxation; to amend Sections 40-10-180, 40-10-181, 40-10-182, 40-10-183, 40-10-184, 40-10-185, 40-10-186, 40-10-188, 40-10-191, 40-10-193, 40-10-194, 40-10-197, 40-10-199, Code of Alabama 1975; to add Section 40-10-199.1 to the Code of Alabama 1975; to authorize and provide procedures for the use of an online public auction for the collection of delinquent property taxes.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 40-10-180, 40-10-181, 40-10-182,
3 40-10-183, 40-10-184, 40-10-185, 40-10-186, 40-10-188,
4 40-10-191, 40-10-193, 40-10-194, 40-10-197, 40-10-199, Code of
5 Alabama 1975, are amended to read as follows:

6 "§40-10-180.

7 "(a) The Legislature declares that the purpose of
8 this article is to provide counties with an alternative remedy
9 for collecting delinquent property taxes by the sale of a tax
10 lien.

11 "(b) The tax collecting official for each county
12 shall have the sole authority to decide whether his or her
13 county shall utilize the sale of a tax lien or the sale of
14 property to collect delinquent property taxes and the method
15 decided by the tax collecting official shall apply to all real
16 property in that county for the year so decided.

17 "(c) The tax collecting official's decision to
18 change the current remedy used for collecting delinquent
19 property taxes shall be published on the tax collecting
20 official's website or by advertising once a week for three
21 consecutive weeks in a newspaper with general circulation in
22 that particular county, all of which shall occur not later
23 than October 1 when the property taxes become due and payable.

24 "§40-10-181.

25 "For purposes of this article, the following terms
26 shall have the following meanings:

1 "(1) TAX COLLECTING OFFICIAL. The elected or
2 appointed person responsible for collecting ad valorem taxes
3 in a county.

4 "(2) TAX LIEN. The perpetual first priority lien
5 provided by Section 40-1-3 against any parcel of real property
6 representing taxes assessed and levied against the property,
7 together with interest, penalties, fees, and costs applicable
8 by law to the taxes.

9 "(3) TAX LIEN AUCTION. ~~The~~ The public sale, whether
10 online or in person, of all tax liens advertised under Section
11 40-10-182 and held no earlier than March 1 or later than June
12 15 of the current ad valorem tax year where the awarding of
13 the tax lien certificate is based on the lowest interest rate
14 bid on a tax lien.

15 "(4) TAX LIEN SALE. The sale of an unsold tax lien
16 by private sale between a tax collecting official and the
17 purchaser of a tax lien under Section 40-10-199.

18 "(5) UNIFORM PARCEL NUMBER. The unique parcel
19 identification number assigned to ~~the~~ a parcel of property for
20 ad valorem tax purposes based on the tax lien date of the
21 current tax year.

22 "§40-10-182.

23 "(a) All tax liens representing unpaid and
24 delinquent taxes on real property shall be subject to a tax
25 lien auction or a tax lien sale.

26 "(b) (1) ~~The~~ If the sale of a tax lien is chosen as
27 the method to collect delinquent property taxes, the tax

1 collecting official of any county shall conduct a public
2 auction for the sale and transfer of delinquent tax liens. The
3 tax collecting official shall notify the delinquent taxpayer
4 of the auction and all charges pursuant to Section 40-10-183
5 at least 30 days prior to the tax lien auction by first class
6 mail and by any one of the following:

7 "a. Advertising for once a week for three
8 consecutive weeks in a newspaper with general circulation in
9 the county where the property is located.

10 "b. Advertising on an online website controlled by
11 the tax collecting official and accessible from the tax
12 collecting official's website.

13 "c. Posting at the courthouse of the county and if
14 possible in a public place in the precinct where the property
15 is located.

16 "(2) The notices shall declare the time, the method,
17 whether online or in person, and the location of the auction.

18 "(c) The tax collecting official may auction or sell
19 tax liens representing delinquent taxes for any year taxes are
20 delinquent and unpaid.

21 "§40-10-183.

22 "~~Prior~~ At least 30 days prior to any tax lien
23 auction, the tax collecting official shall prepare and
24 maintain a list of all tax liens. The list shall be known as
25 the tax lien auction list and shall contain all of the
26 following:

1 "(1) The names of the several persons appearing in
2 the latest tax roll as the respective owners of tax-delinquent
3 properties.

4 "(2) A description of each property as it appears in
5 the latest tax roll.

6 "(3) The year or years for which taxes are
7 delinquent on each property.

8 "(4) The principal amount of the delinquent taxes
9 and the amount of accrued and accruing interest thereon and
10 penalties, fees, and administration costs pursuant to Section
11 40-10-184(b) ~~to the day of the proposed tax lien auction~~
12 relating to each year of assessment.

13 "§40-10-184.

14 "(a) On the day and time designated for a tax lien
15 auction, the tax collecting official shall proceed to auction,
16 whether in person or online, all tax liens described in the
17 tax lien auction list compiled as provided in Section
18 40-10-183, except those for which the taxes, penalties,
19 interest, fees, and costs thereon have been paid. Any tax lien
20 unsold after a tax lien auction shall be retained by the
21 county for future auction or sale as provided in this article.
22 Interest shall continue to accrue at the rate imposed on
23 delinquent real property taxes.

24 "(b) A tax lien shall be sold at auction pursuant to
25 this article to the person who pays all taxes, interest,
26 penalties, fees, and costs due on the property, including an
27 ~~origination cost of twenty dollars (\$20) as of the date of~~

1 ~~auction and a twenty dollar (\$20) auction fee~~ administrative
2 fee of forty-five dollars (\$45), and who, in addition, bids
3 the lowest interest rate on the amount required to be paid to
4 redeem the property from the sale. The beginning interest rate
5 bid shall not exceed a rate of 12 percent and additional bids
6 may be made at a rate less than the immediately preceding bid.
7 If the interest rate bid for the property at an in-person
8 auction reaches 0.00 percent and ~~more than one bidder remains~~
9 ~~the first bidder reaching 0.00 percent cannot be determined,~~
10 the tax collecting official shall draw lots to determine the
11 winning bidder ~~for the property.~~ For online auctions, a tie
12 shall be determined by a random numerical generator.

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

17 "§40-10-185.

18 "When a tax lien is offered for auction or sale, it
19 shall not be necessary to list, ~~auction, or sell~~ it as being
20 against the property of any specific person. The auction or
21 sale is not invalid by reason of the fact that the property
22 was assessed in the name of a person other than the rightful
23 owner or to a person unknown, if the description and the
24 uniform parcel number of the real estate in the tax lien
25 auction list is sufficient to identify it and the amount of
26 taxes, interest, penalties, fees, and costs for which its tax
27 lien is to be auctioned or sold.

1 "§40-10-186.

2 "(a) The purchase price for a tax lien shall be the
3 amount of delinquent taxes plus any interest, penalties, fees,
4 and costs accrued as of the date of the auction or sale.

5 "(b) The purchase price for a tax lien shall be paid
6 in a form acceptable to the tax collecting official ~~in cash or~~
7 ~~immediately available certified funds~~ not later than one hour
8 before close of business on the date of the auction or sale
9 or, if the auction is online, not later than the close of
10 business two days following the date of the auction.

11 "(c) The purchase price for a tax lien received by
12 the tax collecting official shall be credited to the tax
13 collecting official for purposes of calculating commissions,
14 if any, on taxes collected by the tax collecting official
15 pursuant to Section 40-5-4.

16 "§40-10-187.

17 "(a) The tax collecting official, upon receipt of
18 the purchase price, shall make, execute, and deliver a tax
19 lien certificate to each purchaser ~~at a tax lien sale or~~
20 ~~auction or to each assignee thereafter and shall collect from~~
21 ~~the purchaser or assignee a fee of five dollars (\$5) for each~~
22 ~~tax lien certificate.~~ The tax lien certificate shall be in a
23 form provided by the Department of Revenue and shall also
24 include a certificate of redemption form as provided in
25 Section 40-10-194.

26 "(b) A tax lien certificate shall evidence the
27 auction or sale or assignment to the holder of the tax lien

1 certificate of the delinquent and unpaid taxes, penalties,
2 interest, fees, and costs set forth therein and represented by
3 the tax lien.

4 "(c) A tax lien certificate shall bear the interest
5 rate per annum as bid on by the purchaser at the tax lien
6 auction or as agreed upon by the purchaser at the tax lien
7 sale, until the tax lien certificate is redeemed as provided
8 pursuant to Section 40-10-193 or Section 40-10-197.

9 "(d) The tax lien certificate shall do all of the
10 following:

11 "(1) Describe the real property on which a tax lien
12 is auctioned or sold as it is described in the tax lien
13 auction list.

14 "(2) Specify the date on which the tax lien was
15 auctioned or sold to the original purchaser.

16 "(3) Specify the year of assessment to which the tax
17 lien relates and the amount for which the tax lien was
18 auctioned or sold to the original purchaser.

19 "(4) Recite the amount of all taxes, penalties,
20 interest, fees, and costs due on the property, which relate to
21 the year of assessment described in subdivision (3), as of the
22 date specified in subdivision (2).

23 "(5) Recite ~~that the certificate bears interest at~~
24 the rate per annum bid on by the purchaser at the tax lien
25 auction or agreed upon at the tax lien sale on the amount
26 described in subdivision (4) from the date specified in
27 subdivision (2).

1 "(e) The purchaser of a tax lien certificate may
2 transfer and assign the certificate to any person, and the
3 transferee of a tax lien certificate may subsequently transfer
4 the certificate to any other person. The transferor of a tax
5 lien certificate shall endorse the certificate and shall swear
6 to the endorsement before a notary public or other officer
7 empowered to administer oaths. The transferee shall present
8 the endorsed tax lien certificate to the tax collecting
9 official who prepared and executed the certificate, or his or
10 her successor, who, for a fee of five dollars (\$5), shall
11 acknowledge the transfer on the certificate and shall make
12 note of the transfer on the record of tax lien auctions and
13 sales kept as provided in Section 40-10-188. An assignment and
14 transfer as provided in this subsection shall vest in the
15 assignee all the right and title of the original purchaser.

16 "(f) A security interest in a tax lien certificate
17 may be created and perfected in the manner provided for
18 general intangibles under Title 7. Notice of the security
19 interest shall be given to the tax collecting official
20 pursuant to Section 7-9A-406 and as otherwise required by law.

21 "(g) Within ~~10~~ 30 days of a completed tax lien
22 auction or sale, the tax collecting official shall send notice
23 to the property owner for whom the property was assessed
24 informing the property owner that the tax lien has been
25 auctioned or sold. The notice shall include the date of
26 auction or sale and the name ~~and address~~ of the purchaser and

1 shall be made by first class mail to the address listed in the
2 assessment.

3 "§40-10-188.

4 "The tax collecting official shall make a correct
5 record of all auctions and sales of tax liens in a durable
6 book or an electronic file, which shall be known as the record
7 of tax lien auctions and sales, containing all of the
8 following:

9 "(1) The date of auction or sale.

10 "(2) A description of each parcel and uniform parcel
11 number on which a tax lien was auctioned or sold.

12 "(3) The year of assessment to which the tax lien
13 relates.

14 "(4) The name and address of the property owner for
15 whom the property was assessed, if known.

16 "(5) The name and address of the original purchaser
17 of the tax lien.

18 "(6) The total amount of taxes, interest, penalties,
19 fees, and costs due on the tax lien, which relate to the year
20 of assessment, as described in Section 40-10-187, as of the
21 date of the auction or sale of the tax lien to the original
22 purchaser.

23 "(7) The interest rate bid on by the purchaser at
24 the tax lien auction or as agreed by the purchaser at the tax
25 lien sale.

26 "(8) The amount of any subsequent taxes, penalties,
27 interest, fees, and costs paid by the original purchaser, or

1 assignee, of the tax lien certificate as provided in Section
2 40-10-191 and the year of assessment to which the payment
3 relates.

4 "(9) The name and address of the assignee, if any,
5 and the date of assignment of the tax lien certificate.

6 "(10) Any security interest of which the tax
7 collecting official has been notified pursuant to Section
8 40-10-187(f).

9 "~~(10)~~ (11) The name and address of the person
10 redeeming and the date of redemption.

11 "~~(11)~~ (12) The total amount paid for redemption.
12 "§40-10-191.

13 "(a) The holder of a tax lien certificate shall have
14 the first right to purchase the tax lien relating to a
15 subsequent delinquency on the property described in the tax
16 lien certificate of the holder. A holder of the certificate
17 shall exercise this right between five and 30 days prior to
18 the tax lien auction date, and the purchase by the holder
19 shall be effective as of the date of the tax lien auction as
20 if the holder has been the winning bidder. A holder of the
21 certificate who exercises this right, upon payment of the
22 purchase price, shall be issued a certificate of purchase in
23 accordance with Section 40-10-187 and is entitled to the same
24 interest rate as shown on the previous tax lien certificate.
25 The owner of the property shall be notified within 30 days of
26 the completion of the first right of purchase in accordance
27 with Section 40-10-187(g). The owner of the property may pay

1 the current year taxes due once the property owner redeems all
2 outstanding tax liens on the property.

3 "(b) In the event that a mortgagee is or becomes the
4 holder of a tax lien certificate, the mortgagee may add all
5 costs, fees, interest, penalties, and taxes regarding the tax
6 sale to the principal of the loan.

7 "(c) A holder of a tax lien certificate may abandon
8 the certificate at any time upon notification given to the tax
9 collecting official and the surrender of the tax lien
10 certificate. Abandonment of a tax lien certificate
11 relinquishes all rights of recovery of any monies or expenses.

12 "§40-10-193.

13 "(a) (1) Tax liens auctioned or sold may be redeemed
14 by any of the following:

15 "a. The owner, including a partial owner under
16 Section 40-10-195, or his or her heirs or personal
17 representative.

18 "b. Any mortgagee or purchaser of the property or
19 any portion of the property.

20 "c. Any other person listed under subsection (a) of
21 Section 40-10-120, if the property had been sold for taxes.

22 "(2) Property may be redeemed under subdivision (1)
23 by payment to the tax collecting official of the amount
24 specified on the tax lien certificate as the total amount of
25 delinquent tax, interest, penalties, fees excluding lost
26 certificate fees provided in Section 40-10-190, and costs paid
27 to purchase the tax lien, plus interest at the rate specified

1 in the tax lien certificate, plus any due and owing taxes,
2 interest, penalties, fees, and costs due. The tax collecting
3 official shall provide a separate receipt for any current
4 taxes, interest, penalties, fees, or costs paid.

5 "(b) Statutory fees paid by the holder of the tax
6 lien certificate in connection with the tax lien certificate
7 shall be added to the amount payable on redemption and shall
8 also bear interest at the rate of interest specified in the
9 tax lien certificate.

10 "§40-10-194.

11 "(a) The tax collecting official shall, upon
12 application to redeem a tax lien, and upon being satisfied
13 that the person applying has the right to redeem the tax lien,
14 and upon payment of the amount due, issue to the person a
15 certificate of redemption appended to a copy of the
16 certificate of tax lien, giving the date of redemption, the
17 amount paid, and by whom redeemed, and shall make the proper
18 entries in the record of tax lien auctions or sales in his or
19 her office. Upon issuance of the certificate of redemption,
20 the redemption is complete and perfected, the tax lien is
21 satisfied, and the certificate of tax lien is void and of no
22 effect other than to support a request for payment of
23 redemption money pursuant to Section 40-10-196.

24 "(b) For each certificate of redemption, the tax
25 collecting official shall collect from the person to whom the
26 certificate of redemption is issued a fee of ten dollars
27 (\$10).

1 "(c) The holder of a certificate of redemption may
2 record the certificate with the recording officer of the
3 county.

4 "§40-10-197.

5 "(a) At any time not less than ~~three years after the~~
6 ~~auction or sale of a tax lien~~ 45 months but not later more
7 than ~~10~~ five years after the ~~auction or sale~~ initial tax lien
8 date, if the tax ~~lien is~~ liens have not been redeemed, ~~the a~~
9 holder of all of the sold tax lien certificate certificates
10 for a parcel of property may bring in the circuit court of the
11 county in which the property is located an action to foreclose
12 the right to redeem and quiet title to the property in the
13 name of the holder of the tax lien certificate. If any
14 applicable law or court order prohibits bringing an action to
15 foreclose the right to redeem and quiet title to the property,
16 the limitation provided in this section shall be extended 12
17 months following the termination of the prohibition.

18 "(b) (1) At least 30 days before filing a tax lien
19 foreclosure action under this article, but not more than 180
20 days before the action is commenced, the holder of the tax
21 lien ~~certificate~~ certificates shall send notice of intent to
22 file the foreclosure action by certified mail to all of the
23 following:

24 "a. The property owner of record, according to the
25 property tax records of the county in which the property is
26 located, at the owner's address shown in the records and at
27 the street address of the property if different.

1 "b. All holders of outstanding mortgages, judgment
2 liens, or other liens on the property as recorded in the
3 probate office of the county in which the property is located.

4 "c. The tax collecting official of the county in
5 which the property is located.

6 "(2) The notice shall include the property owner's
7 name, the uniform parcel number, the legal description of the
8 property, the name and address of the holder of the tax lien
9 certificate, and a statement that the holder proposes to file
10 a tax lien foreclosure action ~~between~~ as soon as 30 and but
11 not later than 180 days after the date of mailing of the
12 notice. If the holder fails to send the notice required by
13 this subsection, the court shall dismiss any tax lien
14 foreclosure action filed under this article.

15 "(c) The holder shall name as parties defendant to
16 the tax lien foreclosure action all persons entitled to redeem
17 under this article. Upon filing the tax lien foreclosure
18 action, the holder shall ~~file~~ record a notice as provided by
19 Section 35-4-131.

20 "(d) (1) In a tax lien foreclosure action, if the
21 court finds that the tax lien auction or sale is valid, that
22 proper notice has been given, that the holder is the holder of
23 all of the sold tax certificates on the property, and that the
24 ~~tax lien has~~ liens have not been redeemed, the court shall
25 enter judgment foreclosing the right of the defendant or
26 defendants to redeem and shall direct the circuit clerk to
27 execute and deliver to the party in whose favor judgment is

1 entered a deed conveying the interests of the defendants in
2 the property described in the tax lien ~~certificate~~
3 certificates.

4 "(2) After entry of judgment, a party whose rights
5 to redeem the tax ~~lien~~ liens are foreclosed has no further
6 legal or equitable right, title, or interest in the property
7 subject to the right of appeal and stay of execution as in
8 other civil actions.

9 "(e) The foreclosure of the right to redeem does not
10 extinguish any easement or right-of-way on or appurtenant to
11 the property or rights of any public utility or governmental
12 entity in the property, ~~nor does it affect the rights of~~
13 ~~holders of prior tax lien certificates.~~

14 "(f) (1) The clerk's deed executed in accordance with
15 subsection (d) shall include all of the following information:

16 "a. The date of the judgment.

17 "b. The number and style of the case.

18 "c. The name of the plaintiff, who shall be ~~known~~
19 stated as the grantee.

20 "d. The legal description of the property.

21 "e. The uniform parcel number of the property.

22 "f. The date of the conveyance.

23 "(2) The original deed shall be delivered to the
24 plaintiff for recording in the probate records in the county
25 in which the property is located.

26 "(g) Any person who is entitled to redeem under this
27 article may redeem at any time before judgment is entered,

1 notwithstanding that an action to foreclose has been
2 commenced, by paying into the circuit court the redemption
3 amount that would have been paid to the tax collecting
4 official under Section 40-10-193 plus any other amounts
5 determined by the court under this section. If the person who
6 redeems has been served personally or by publication in the
7 action, or if the person became an owner after the action
8 began and redeems after a notice is recorded pursuant to
9 subsection (c), ~~judgment shall be entered in favor of the~~
10 ~~plaintiff against the person for~~ the redeeming party shall
11 also pay into the court with the redemption amount the costs
12 incurred by the plaintiff in the action, including reasonable
13 attorney fees actually incurred, to be determined by the
14 court. The court shall then order the tax lien certificates
15 cancelled and the tax liens void, the redemption amount be
16 paid to the tax collecting official, and the costs and
17 attorney fees be paid to the plaintiff.

18 "(h) If a tax lien that was purchased pursuant to
19 this article is not redeemed and the holder of the tax lien
20 certificate fails to commence a tax lien foreclosure action ~~on~~
21 ~~or before 10 years from the date of the tax lien certificate~~
22 within the time provided in this section, the tax lien
23 certificate shall expire and the lien shall become void.

24 "(i) If a judicial proceeding prohibits bringing a
25 tax lien foreclosure action, the time of expiration under this
26 section shall be extended by 12 months following the
27 completion of the judicial proceeding.

1 "§40-10-199.

2 "(a) Tax liens that are not sold at the tax lien
3 auction conducted by the tax collecting official shall be
4 separated in the tax lien auction list as prescribed by
5 Section 40-10-183 and the ~~county shall retain the lien~~ shall
6 continue pursuant to Section 40-1-3. The tax collecting
7 official, ~~within 45 days after the tax lien auction date,~~ may
8 thereafter sell at private sale an unsold tax lien for ~~no less~~
9 ~~than~~ all taxes, interest, penalties, costs, and fees. The
10 purchaser at private sale shall be entitled to interest on the
11 amount paid at a rate agreed to by the tax collecting
12 official, not to exceed 12 percent. All private tax lien sales
13 shall be entered in the record of tax lien auctions and sales,
14 as provided in Section 40-10-188.

15 "(b) All tax liens that remain unsold by the tax
16 lien auction or sale shall be included in all future tax lien
17 auctions or sales until sold or until foreclosed pursuant to
18 Section 40-10-199.1.

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

25 Section 2. Section 40-10-199.1 is added to the Code
26 of Alabama 1975, to read as follows:

27 §40-10-199.1.

1 (a) (1) If a tax lien remains unpaid and unsold for
2 five years after the initial tax lien date, the tax collecting
3 official may send to the county commission the information in
4 the tax lien auction list prescribed by Section 40-10-183
5 related to the unsold tax lien.

6 (2) If the property is located within a
7 municipality, the county commission shall notify the municipal
8 governing body that the tax lien on the property is subject to
9 foreclosure under this section. Within 60 days of receipt of
10 the notice, if the municipal governing body finds that the
11 property subject to the tax lien is or may be suitable for a
12 municipal public use, the municipal governing body may notify
13 the county commission that it wishes to acquire the property
14 through the foreclosure action. If no notice is given by the
15 municipality to the county commission prior to expiration of
16 the 60 days, the county commission may proceed as if the
17 property is not located within the municipality.

18 (3) If the property is not located within a
19 municipality, and the county commission finds that the
20 property subject to the tax lien is or may be made suitable
21 for a county public use, the county may acquire the property
22 through the foreclosure action. If the county commission finds
23 that the property is not suitable for a county public use, the
24 property shall be conveyed to the state through the
25 foreclosure action.

26 (4) After the determination of which public entity
27 is to acquire the property, the county commission shall direct

1 the district attorney or counsel retained by the county
2 commission to file an action in the circuit court of the
3 county in which the property is located in the name of the
4 county to foreclose the tax lien.

5 (b) (1) At least 180 days prior to filing the action,
6 the county commission shall cause a limited title search to be
7 made that is sufficient to identify all parties listed in
8 paragraphs a. and b. who have an interest in the property
9 recorded in the real property records of the probate court of
10 the county in which the property is located. Between 30 and
11 180 days before filing the action, the county commission shall
12 send notice of intent to file the action by certified mail to
13 all of the following:

14 a. The property owner of record according to the
15 property tax records of the county in which the property is
16 located, at the owner's address shown in those records and at
17 the street address of the property, if different.

18 b. The property owner as shown by the real property
19 records of the probate office, if different from paragraph a.

20 c. All holders of outstanding mortgages, judgment
21 liens, or other liens on the property as shown by the real
22 property records of the probate office, and to holders of
23 other tax liens.

24 (2) The notice shall include the property owner's
25 name according to the property tax records, the Uniform Parcel
26 Number, the initial tax lien date, the legal description of
27 the property, the street address of the property, and a

1 statement that the county proposes to file an action to
2 foreclose the tax lien between 30 and 180 days after the date
3 of mailing of the notice unless the tax lien is paid in full
4 prior to the filing of the action. If the county commission
5 fails to send the notice required by this subsection and
6 subsequently files an action to foreclose the tax lien, the
7 court shall dismiss the action without prejudice.

8 (c) The county shall name and serve as defendant
9 parties to the action all parties entitled to notice as
10 provided in subsection (b). Upon filing the action, the county
11 shall record a notice as provided by Section 35-4-131.

12 (d) In an action to foreclose a tax lien, if the
13 court finds that the tax lien is valid, that the tax lien has
14 not been sold for five years after the initial tax lien date,
15 that the property subject to the tax lien is or may be made
16 suitable for a municipal or county public use, as appropriate
17 (if the property is to be conveyed to a municipality or the
18 county), and that proper notice has been given pursuant to
19 subsection (b), the court shall enter judgment foreclosing the
20 tax lien and directing the circuit clerk to expeditiously
21 execute and deliver to the municipality in the case of
22 property determined to be municipal public use property under
23 subdivision (a) (2), or to the county in the case of property
24 determined to be county public use property under subdivision
25 (a) (3), or to the state in the case of all other property, a
26 deed conveying to the municipality, county, or state as
27 appropriate, the interests of the defendants in the property

1 described in the complaint as well as any and all other
2 interests inferior to the tax lien except those listed in
3 subsection (e).

4 (e) The foreclosure of the tax lien does not
5 extinguish any easement or right-of-way on or appurtenant to
6 the property or rights of any public utility or governmental
7 entity in the property.

8 (f) (1) The deed executed by the circuit clerk in
9 accordance with subsection (d) shall include all of the
10 following information:

11 a. The date of the judgment.

12 b. The number and style of the case.

13 c. The name of the municipality, county, or state as
14 appropriate, which shall be stated as the grantee.

15 d. The legal description of the property.

16 e. The uniform parcel number of the property.

17 f. The date of the conveyance.

18 (2) The original deed shall be delivered to the
19 municipal governing body, the county commission, or the State
20 Department of Revenue as appropriate, for recording in the
21 probate records in the county in which the property is
22 located.

23 (g) In an action to foreclose a tax lien that
24 results in a deed to the state, the costs and expenses of the
25 county in bringing the action for the benefit on behalf of the
26 state, including reasonable attorney fees actually incurred,

1 to be determined by the court, and the cost of the limited
2 title search, shall be reimbursed to the county by the state.

3 (h) Property sold to the state pursuant to
4 subsection (d) may be retained by the state or disposed of as
5 surplus property in the manner provided in Article 6 of
6 Chapter 16 of Title 41, or as otherwise provided by law.

7 Section 3. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.