

SB3 INTRODUCED



1 SB3
2 V6U6VP-1
3 By Senator Coleman-Madison
4 RFD: County and Municipal Government
5 First Read: 06-Feb-24
6 PFD: 18-Sep-23



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SYNOPSIS:

Under existing law, the acquisition of real property by local land bank authorities is subject to certain restrictions on the procedure, geographic location, and costs.

This bill would provide a shortened redemption period for a tax delinquent property that is not acquired by an open market bidder at a tax sale auction, would authorize a local government or a local land bank authority to purchase property at public auction by tendering the minimum bid in the absence of open market bids, and would limit the geographical boundaries of local land bank authority acquisitions.

This bill would provide for the creation of multijurisdictional local land bank authorities by intergovernmental agreements and a property tax exemption for a property owned by a local land bank authority; authorize local governments to allocate a portion of local property tax revenues to local land bank authorities; authorize a local land bank authority to convey properties to state and local governments for flood plain management and storm water drainage; and authorize the Governor to create a local land bank authority by executive order following a declaration of a state of emergency.



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29 This bill would also make nonsubstantive,
30 technical revisions to update the existing code
31 language to current style.

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A BILL

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TO BE ENTITLED

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AN ACT

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38 Relating to land bank authorities; to amend Sections
39 24-9-4, 24-9-5, 24-9-6, 24-9-7, 24-9-8, 24-9-10, 40-1-3,
40 40-10-1, 40-10-18, 40-10-29, 40-10-120, 40-10-184, 40-10-197,
41 and 40-10-199, Code of Alabama 1975; to add Sections 24-9-11
42 and 24-9-12 to the Code of Alabama 1975; to provide for the
43 creation of multijurisdictional local land bank authorities;
44 to further authorize the acquisition of tax delinquent
45 property and tax liens by local land bank authorities; to
46 further provide for the exemption of local land bank authority
47 property from taxes and fees; to provide for the allocation of
48 a portion of the ad valorem taxes on certain property conveyed
49 to a local land bank authority to the authority; to further
50 provide for the conveyance of local land bank authority
51 property; to authorize the Governor to create local land bank
52 authorities in the event of a state of emergency; and to make
53 nonsubstantive, technical revisions to update the existing
54 code language to current style.

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BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

56

Section 1. Sections 24-9-4, 24-9-5, 24-9-6, 24-9-7,



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57 24-9-8, and 24-9-10, Code of Alabama 1975, are amended to read
58 as follows:

59 "§24-9-4

60 When used in the chapter, the following words ~~shall~~
61 have the following meanings:

62 (1) AGREEMENT. The intergovernmental cooperation
63 agreement entered into between an authority and a local land
64 bank authority by the parties pursuant to this chapter.

65 (2) AUTHORITY. The Alabama Land Bank Authority.

66 (3) BOARD. The Alabama Land Bank Authority Board.

67 (4) LOCAL LAND BANK AUTHORITY. A local land bank
68 authority created by a county or municipality as provided in
69 Section 24-9-10.

70 (5) PROPERTY. Real property, including any improvements
71 thereon.

72 (6) TAX-DELINQUENT PROPERTY. Any property on which the
73 taxes levied and assessed by any party remain in whole or in
74 part unpaid on the date due and payable."

75 "§24-9-5

76 (a) There is created the Alabama Land Bank Authority
77 Board which shall govern the authority to administer and
78 enforce this chapter.

79 (b) The board shall consist of the following members:

80 (1) Four residents of the state appointed by the
81 Governor.

82 (2) Two representatives from nonprofit organizations
83 engaged in low-income housing appointed by the Governor.

84 (3) The Presiding Officer of the Senate or his or her



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85 designee.

86 (4) The Speaker of the House of Representatives or his
87 or her designee.

88 (5) The Chair of the Senate Finance and Taxation
89 General Fund Committee or his or her designee.

90 (6) The Chair of the House Ways and Means General Fund
91 Committee or his or her designee.

92 (7) The State Revenue Commissioner or his or her
93 designee.

94 (8) The Superintendent of the State Banking Department
95 or his or her designee.

96 (9) The Director of the Alabama Department of Economic
97 and Community Affairs or his or her designee.

98 (10) The Secretary of the Alabama Department of
99 Commerce or his or her designee.

100 (11) The State Finance Director or his or her designee.

101 (12) The Chair of the Alabama Housing Finance Authority
102 or his or her designee.

103 (13) The Administrator of the Alabama Credit Union
104 Administration or his or her designee.

105 (c) The members of the board shall serve four year
106 terms. In appointing the initial members of the board under
107 subdivision (1) of subsection (b), the Governor shall
108 designate two to serve four years, one to serve three years,
109 and one to serve two years.

110 (d) Members of the board shall receive reimbursement
111 for expenses incurred in the performance of their duties but
112 no other compensation.



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113 (e) The board may employ the necessary personnel for
114 the performance of its functions and fix their compensation.

115 (f) The board shall elect from its membership a chair,
116 vice chair, and secretary-treasurer. The board shall adopt
117 rules to govern its proceedings. A majority of the membership
118 of the board shall constitute a quorum for all meetings.
119 Approval by a majority of the membership shall be necessary
120 for any action to be taken by the authority. All meetings
121 shall be open to the public, except as otherwise permitted by
122 the Alabama Open Meetings Act, and a written record shall be
123 maintained of all meetings.

124 (g) The membership of the board shall be inclusive and
125 reflect the racial, gender, geographic, ~~urban/rural~~urban,
126 rural, and economic diversity of the state.

127 (h) The board, when acting in its official capacity,
128 its members, and the authority shall be immune from civil
129 liability against the claims of any individual or other entity
130 of any nature whatsoever arising out of its ownership or
131 administration of properties or related to its decisions or
132 actions, which decisions or actions were made in good faith,
133 without malice, and predicated upon information which was then
134 available to the board.

135 (i) The authority shall be a public body corporate and
136 politic with the power to accept and issue deeds in its name,
137 including, without limitation, the acceptance of real property
138 in accordance with this chapter, and to institute quiet title
139 actions as provided in Section 24-9-8, and shall have any
140 other powers necessary and incidental to carry out the powers



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141 and the purpose granted by this chapter.

142 (j) In addition to the tax-delinquent property acquired
143 by the authority as provided herein, the authority may
144 acquire, by purchase, donation, or exchange, other publicly
145 owned property from local governments, including that which
146 was acquired years earlier as a result of foreclosure
147 proceedings of that property, or property that has become
148 surplus. The authority may also acquire property through
149 voluntary donations and transfers from private owners and may
150 acquire by purchase or lease on the open market property from
151 a private owner ~~to complete an assemblage of property for~~
152 ~~redevelopment.~~

153 (k) No later than October 1, 2018, the State Revenue
154 Commissioner or his or her designee shall convene the first
155 meeting of the authority."

156 "§24-9-6

157 (a) The authority, at ~~such~~the times as it deems to be
158 appropriate, may submit a written request to the Land
159 Commissioner of the Alabama Department of Revenue for the
160 transfer of the state's interest in certain properties to the
161 authority. Upon receipt of ~~such~~the request, the Land
162 Commissioner shall issue a tax deed conveying the state's
163 interest in the property to the authority. The authority shall
164 not be required to pay the amount deemed to have been bid to
165 cover delinquent taxes or any other amount in order to obtain
166 the tax deed.

167 (b) (1) Delinquent property that may be transferred by
168 the Land Commissioner to the authority shall be limited to



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169 parcels located outside the geographic boundaries of a local
170 land bank authority that have been bid in for the state
171 pursuant to Chapter 10 of Title 40 for at least three years
172 and the state's interest in real property acquired pursuant to
173 Chapter 29 of Title 40 for delinquent taxes administered by
174 the state and held for at least three years. The three-year
175 period shall not apply to properties encumbered by one or more
176 housing, building code, or nuisance abatement liens.

177 (2) The Land Commissioner or his or her agents or
178 assistants may adopt rules necessary to transfer ~~such~~the
179 properties to the authority.

180 (c) The authority shall administer properties acquired
181 by it as follows:

182 (1) All property acquired by the authority shall be
183 inventoried and the inventory shall be maintained as a public
184 record.

185 (2) The authority shall have the power to manage,
186 maintain, protect, rent, lease, repair, insure, alter, sell,
187 trade, exchange, or otherwise dispose of any property acquired
188 pursuant to subsection (b)(1), on terms and conditions
189 determined in the sole discretion of the authority.

190 (d) Nothing contained in Act 2013-249 shall be
191 construed to grant any power of eminent domain to the
192 authority or any local authority."

193 "§24-9-7

194 (a) The authority shall adopt rules for the disposition
195 of property in which the authority holds a legal interest,
196 which rules shall address the conditions set forth in this



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197 section.

198 (b) The authority may manage, maintain, protect, rent,
199 repair, insure, alter, convey, sell, transfer, exchange, lease
200 as lessor, or otherwise dispose of property or rights or
201 interests in property in which the authority holds a legal
202 interest to any public or private person for value determined
203 by the authority on terms and conditions, and in a manner and
204 for an amount of consideration the authority considers proper,
205 fair, and valuable, including for no monetary consideration.
206 The transfer and use of property under this section and the
207 exercise by the authority of powers and duties under Act
208 2013-249 shall be considered a necessary public purpose and
209 for the benefit of the public.

210 (c) Before the authority may sell, lease, exchange,
211 trade, or otherwise dispose of any property, it shall either:

212 (1) Establish a purchase price and conditions for sale
213 purposes.

214 (2) Establish a price and conditions for rent or lease
215 purposes.

216 (3) Establish the conditions for trade, exchange, or
217 other disposal of the property.

218 The conditions made pursuant to this subsection may
219 include a requirement that the transferee must provide a
220 development plan or execute a development agreement with the
221 authority specifying the transferee's commitments regarding
222 the development of the property and the time frame within
223 which the development must occur, the range of permitted uses
224 for the property, and any restrictions on its subsequent



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225 resale or transfer.

226 (d) The disposition of property by the authority shall
227 not be governed by any laws or rules otherwise applicable to
228 the disposition of property by a state or local agency.

229 ~~Provided, however, that, prior to the disposition of property,~~
230 ~~the authority shall give notice of its intent to dispose of~~
231 ~~any property for which notice was not previously advertised by~~
232 ~~the Commissioner of Revenue, or his or her designee, or by a~~
233 ~~local official in a manner as prescribed by the authority and~~
234 ~~shall include in the notice the date, time, and place at which~~
235 ~~persons objecting to the intended action must appear. If no~~
236 ~~objection is made within 30 days from the date of the notice,~~
237 ~~the authority may proceed with the disposition of the property~~
238 ~~as noticed without a public auction.~~

239 (e) No property shall be sold, traded, exchanged, or
240 otherwise disposed of by the authority to any entity for
241 investment purposes only and with no intent to use the
242 property other than to transfer the property at a future date
243 for monetary gain.

244 (f) The authority shall not sell, trade, exchange, or
245 otherwise dispose of any property held by the authority to any
246 party who had an interest in the property at the time it was
247 tax delinquent or to any party who transferred the party's
248 interest in the property to the authority by sale, trade,
249 exchange, or otherwise, unless the person pays all the taxes,
250 interest, municipal liens, penalties, fees, and any other
251 charges due and owing under Chapter 10 and Chapter 29 of Title
252 40, including the amount to the Land Commissioner had the



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253 property not been transferred to the authority.

254 (g) Except as otherwise provided in this section, the
255 authority shall have full discretion in determining the sale
256 price of the property. ~~No purchaser from the authority shall
257 be responsible for the proper disposition of the proceeds paid
258 to the authority for the purchase of property."~~

259 "§24-9-8

260 (a) The authority may initiate a quiet title action
261 under this section to quiet title to real property held by the
262 authority or interests in tax delinquent property held by the
263 authority by undertaking the examination of title as required
264 in subsection (b) and thereafter filing the petition as
265 provided in subsection (c). Following the filing of the
266 petition, the authority shall record with the office of the
267 judge of probate in the county in which the property subject
268 to quiet title action is located a notice of pending quiet
269 title action. The notice shall include the name of the
270 taxpayer whose interest was affected by the tax sale; the name
271 of any other party as revealed by a search and examination of
272 the title to the property who may claim an interest in the
273 property; a legal description of the property; the street
274 address of the property if available; the name, address, and
275 telephone number of the authority; a statement that the
276 property is subject to the quiet title proceedings under Act
277 2013-249; a statement that any legal interests in the property
278 may be extinguished by a circuit court order vesting title to
279 the property in the authority; and the date, time, and place
280 of the hearing on the petition to quiet title. Notwithstanding



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281 anything in this chapter to the contrary, no quiet title
282 action and nothing in this chapter shall affect any right,
283 title, or interest, whether recorded or unrecorded, in the
284 subject property which was held at the time of the tax sale by
285 any person or entity engaged in the generation, transmission,
286 or distribution of electric power, natural gas, or
287 telecommunications.

288 (b) ~~After the notice required under subsection (a) has~~
289 ~~been recorded,~~ Prior to filing the petition described in
290 subsection (a), the record title to the property shall be
291 examined and an opinion of title rendered by an attorney at
292 law, who is licensed to practice law in this state, or a
293 certificate of title shall be prepared by a title agent or
294 title insurer duly licensed under the Alabama Title Insurance
295 Act as set out in Section 27-25-1, et seq., for the benefit of
296 the authority in order to identify all owners of an interest
297 in the property.

298 (c) Once the authority has identified the owners of
299 interest in the property, the authority shall file a single
300 petition with the clerk of the circuit court for the judicial
301 district in which the property subject to foreclosure under
302 this section is located listing all property subject to
303 foreclosure by the authority and for which the authority seeks
304 to quiet title. No such action shall be subject to the payment
305 of filing fees. The list of properties shall include a legal
306 description of, a tax parcel identification number for, and
307 the street address of each parcel or property. The petition
308 shall seek a judgment in favor of the authority against each



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309 property listed and shall include a date, within 90 days, on
310 which the authority requests a hearing on the petition. The
311 petition shall request that a judgment be entered vesting
312 absolute title in the authority, without right of redemption
313 for each parcel of property listed, as provided in this
314 section. At any time during the pendency of this action, the
315 authority may file a motion to release or dismiss a certain
316 parcel or parcels of land from the petition, which release
317 will not affect the remaining parcels of land subject to the
318 petition.

319 (d) The case shall be docketed in the circuit court by
320 the clerk, and shall be a preferred case therein. The circuit
321 court in which a petition is filed under subsection (c) shall
322 immediately set the date, time, and place for a hearing on the
323 petition for quiet title. In no event may the clerk schedule
324 the hearing later than 90 days after the filing of a petition
325 by the authority under subsection (c). The court, on the
326 request of a party or as needed to allow completion of service
327 of process on all interested persons, and to allow those
328 persons 30 days after service of process to file an answer or
329 other responsive pleadings to the petition, may extend the
330 90-day period for good cause shown.

331 (e) The authority shall serve all persons having record
332 title or interest in or lien upon the property with a notice
333 of the hearing on the petition to quiet title. ~~Such~~The service
334 shall be attempted by personal service and by certified mail;
335 provided if service is perfected by either method, the service
336 will be sufficient to provide service of process upon all



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337 persons having record title or interest in or lien upon the
338 property. If the persons entitled to service are located
339 outside the county, they may be served by certified mail.

340 (f) The notice required under subsection (e) shall
341 include:

342 (1) The date on which the authority recorded, under
343 subsection (a), the notice of the pending quiet title and
344 foreclosure action.

345 (2) A statement that a person with a property interest
346 in the property may lose ~~such~~the interest, if any, as a result
347 of the quiet title and foreclosure hearing.

348 (3) A legal description, tax parcel identification
349 number of the property, and the street address of the
350 property.

351 (4) The date and time of the hearing on the petition
352 for quiet title and a statement that the judgment of the court
353 may result in title to the property vesting in the authority.

354 (5) An explanation of any rights of redemption and
355 notice that the judgment of the court may extinguish any
356 ownership interest in or right to redeem the property.

357 (6) The name, address, and telephone number of the
358 authority.

359 (g) In the event the sheriff is unable to perfect
360 service or certified mail attempts are returned unclaimed, the
361 authority shall conduct a search for the person with an
362 interest in the property conveyed to the authority.

363 (1) The search, at a minimum, shall include the
364 following:



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365 a. An examination of the addresses given on the face of
366 the instrument vesting interest or the addresses given to the
367 clerk of the probate court by the transfer declaration form.

368 b. A search of ~~the current telephone~~
369 ~~directory~~electronic telephone databases for the municipality
370 and the county in which the property is located.

371 c. A letter of inquiry to the person who sold the
372 property to the owner whose interest was sold in the tax sale
373 at the address shown in the transfer tax declaration or in ~~the~~
374 ~~telephone directory~~electronic telephone databases.

375 d. A letter of inquiry to the attorney handling the
376 closing prior to the tax sale if ~~such~~the information is
377 provided on the deed forms.

378 (2) A sign being no less than four feet by four feet
379 shall be erected on the property and maintained by the
380 authority for a minimum of 30 days reading as follows:

381 "THIS PROPERTY HAS BEEN CONVEYED TO THE _____ LAND
382 BANK AUTHORITY AND IS SUBJECT TO A QUIET TITLE ACTION. PERSONS
383 WITH INFORMATION REGARDING THE PRIOR OWNERSHIP OF OR INTEREST
384 IN THE PROPERTY ARE REQUESTED TO CONTACT THE LAND BANK
385 AUTHORITY AT _____."

386 (3) Any additional parties who are identified as having
387 an interest in the property shall be provided notice in
388 accordance with this section.

389 (h) If the interested party is an individual, the
390 authority shall examine voter registration lists, available
391 municipal archives for records of deaths, and the probate
392 court records of estates opened in the county in which the



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393 property is located.

394 (i) If the interested party is a business entity, the
395 authority shall search the records of the Secretary of State
396 for the name and address of a registered agent.

397 (j) If an interested party appears at the hearing and
398 asserts a right to redeem the property, that party may redeem
399 in accordance with Chapter 10 and Chapter 29 of Title 40.

400 (k) (1) If the authority has made the search as required
401 by this section and been unable to locate those persons
402 required to be served under subsection (e), and has located
403 additional addresses of those persons through the search and
404 attempted without success to serve those persons in either
405 manner provided by subsection (e), the authority shall provide
406 notice by publication. Prior to the hearing, a notice shall be
407 published once each week for three successive weeks in a
408 newspaper of general circulation in the county in which the
409 property is located. If no paper is published in that county,
410 publication shall be made in a newspaper of general
411 circulation in an adjoining county. This publication shall
412 substitute for notice under this subsection or subsection (g).
413 The published notice shall include the information required in
414 subsection (f). Should the identity of some or all of the
415 persons who may have an interest in the property be unknown,
416 or should ~~such~~the persons be infants or persons of unsound
417 mind, the court shall appoint a guardian ad litem to represent
418 and defend the interests of ~~such~~the unknown, the
419 infants~~infant~~, or ~~incompetent~~the persons of unsound mind who
420 are parties in the action.



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421 (2) A person claiming an interest in a parcel of
422 property set forth in the quiet title action who desires to
423 contest that petition shall file an answer containing written
424 objections with the clerk of the circuit court and serve those
425 objections on the authority before the date of the hearing.
426 The circuit court may appoint and utilize as the court
427 considers necessary a special master for assistance with the
428 resolution of any objections to the quiet title action or
429 questions regarding the title to property subject thereto.
430 Within 30 days following the hearing, the circuit court shall
431 enter judgment on a petition to quiet title. The circuit
432 court's judgment shall specify all of the following:

433 a. The legal description, tax parcel identification
434 number, and, if known, the street address of the subject
435 property.

436 b. That fee simple title to the property by the
437 judgment is vested absolutely in the authority, except as
438 otherwise provided in paragraph e., without any further rights
439 of redemption.

440 c. That all liens against the property, including any
441 lien for unpaid taxes or special assessments, are
442 extinguished.

443 d. That, except as otherwise provided in paragraph e.,
444 the authority has good and marketable fee simple title to the
445 property.

446 e. That all existing recorded and unrecorded interests
447 in the property are extinguished, except a recorded easement
448 or right-of-way, restrictive covenant, prior reservation or



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449 severance of all mineral, mining, oil, and gas rights within
450 and underlying the property, ~~such~~the state of facts as shown
451 on recorded plats, or restrictions or covenants imposed under
452 the Alabama Land Recycling and Economic Development Act or any
453 other environmental law in effect in the state, severed oil,
454 gas, and mineral rights and mineral leases and agreements are
455 excepted from Act 2013-249 and any quiet title action
456 authorized herein.

457 f. A finding that all persons entitled to notice and an
458 opportunity to be heard have been provided that notice and
459 opportunity and that the authority provided notice to all
460 interested parties or that the authority complied with the
461 notice procedures in subdivision (1), which compliance shall
462 create a rebuttable presumption that all interested parties
463 received notice and an opportunity to be heard.

464 (1) Except as otherwise provided in paragraph (k)(2)e.,
465 fee simple title to property set forth in a petition for quiet
466 title filed under subsection (c) shall vest absolutely in the
467 authority upon the effective date of the judgment by the
468 circuit court and the authority shall have absolute title to
469 the property. The authority's title is not subject to any
470 recorded or unrecorded lien, except as provided in paragraph
471 (k)(2)e. and shall not be stayed except as provided in
472 subsection (m). A judgment entered under this section is a
473 final order with respect to the property affected by the
474 judgment.

475 (m) The authority or a person claiming to have an
476 interest in property under this section may within 42 days



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477 following the effective date of the judgment under subsection
478 (k) appeal the circuit court's judgment quieting title to the
479 property to the court of appeals. An appeal under this
480 subsection is limited to the record of the proceedings in the
481 circuit court under this section. In the event of a timely
482 appeal, the circuit court's judgment quieting title to the
483 property shall be stayed until the court of appeals has
484 reversed, modified, or affirmed that judgment. If an appeal
485 under this subsection stays the circuit court's judgment, the
486 circuit court's judgment is stayed only as to the property
487 that is the subject of that appeal and the circuit court's
488 judgment quieting title to other property that is not the
489 subject of that appeal is not stayed.

490 (n) The authority shall record an order of judgment for
491 each parcel of property in the office of the judge of probate
492 for the county in which the subject property is located.

493 (o) Notwithstanding the limitation of actions,
494 requirements for adverse possession ~~under, any other~~
495 provisions of Section 40-10-82, or any other law, the
496 authority may initiate a quiet title action under this section
497 at any time after acquiring an interest in the property which
498 is subject to the action. A final decree of an action properly
499 filed in compliance with this section shall extinguish all
500 outstanding rights of redemption."

501 "§24-9-10

502 (a) If the number of tax delinquent properties in a
503 municipality exceeds 100, then the governing body of a
504 municipality may adopt a resolution declaring that it is wise,



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505 expedient, and necessary that a local land bank authority be
506 formed by the municipality by the filing for record of a
507 certificate of incorporation in accordance with the provisions
508 of subsection ~~(e)~~ (d).

509 (b) If the number of tax delinquent properties in a
510 ~~municipality~~county exceeds 100, then the governing body of a
511 county may adopt a resolution declaring that it is wise,
512 expedient, and necessary that a local land bank authority be
513 formed by the county by the filing for record of a certificate
514 of incorporation in accordance with the provisions of
515 subsection ~~(e)~~ (d).

516 (c) A county and a municipality located within that
517 county may create a single land bank authority by an
518 intergovernmental agreement, so long as both the county and
519 the municipality each meet the criteria of subsections (a) and
520 (b). The intergovernmental agreement shall comply with all
521 provisions of subsections (d) and (e) and Chapter 102 of Title
522 11.

523 (d) Upon the adoption of the authorizing resolution,
524 the municipality or county, as the case may be, shall proceed
525 to incorporate the local land bank authority by filing for
526 record in the office of the judge of probate of the county a
527 certificate of incorporation which shall comply in form and
528 substance with the requirements of this section and which
529 shall be in the form and executed in the manner herein
530 provided. The certificate of incorporation of the local land
531 bank authority shall state all of the following:

532 (1) The name of the local unit of government forming



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533 the local land bank authority.

534 (2) The name of the local land bank authority.

535 (3) The size of the initial governing body of the local
536 land bank authority, which shall be composed of an odd number
537 of members, but not less than five.

538 (4) The qualifications, method of selection, and terms
539 of office of the initial board members.

540 (5) A method for the adoption of bylaws by the
541 governing body of the local land bank authority.

542 (6) A method for the distribution of proceeds from the
543 activities of the local land bank authority.

544 (7) A method for the dissolution of the local land bank
545 authority.

546 (8) Any other matters considered advisable by the local
547 unit of government, consistent with Act 2013-249.

548 ~~(d)~~ (e) Following incorporation, a local land bank
549 authority may enter into an intergovernmental agreement with
550 the authority providing for the transfer to the local land
551 bank authority of any property held by the authority which is
552 located within the corporate limits of the municipality or the
553 boundary of the county which created the land bank.

554 ~~(e)~~ (f) A local land bank authority shall have all of
555 the powers of the authority as set forth in this chapter. In
556 addition, a local land bank authority shall have the following
557 powers:

558 (1) To adopt, amend, and repeal bylaws for the
559 regulation of its affairs and the conduct of its business.

560 (2) To sue and be sued in its own name and to prosecute



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561 and defend civil actions in any court having jurisdiction of
562 the subject matter and of the parties, including, but not
563 limited to, actions to clear title to the property of the
564 local land bank authority.

565 (3) To adopt and make use of a corporate seal and to
566 alter the same at its pleasure.

567 (4) To acquire by purchase, lease, or otherwise and to
568 hold, lease, and dispose of real or personal property of every
569 kind and character, or any interests therein, in furtherance
570 of the public purposes of the local land bank authority.

571 (5) To acquire, accept, or retain equitable interests,
572 security interests, or other interests in any real property,
573 personal property, or fixtures by loan agreement, note,
574 mortgage, trust deed, security agreement, assignment, pledge,
575 conveyance, contract, lien, or other consensual transfer in
576 order to secure credit extended by the local land bank
577 authority.

578 (6) To borrow from private lenders, from
579 municipalities, from the state, or from federal government
580 funds, as may be necessary, for the operation and work of the
581 local land bank authority.

582 (7) To issue negotiable revenue bonds and notes
583 according to the provisions of this chapter.

584 (8) To procure insurance or guarantees from the state
585 or federal government for the payments of any debts or parts
586 of debts incurred by the local land bank authority, and to pay
587 premiums in connection with the insurance or guarantees.

588 (9) To enter into contracts and other instruments



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589 necessary, incidental, or convenient to the performance of its
590 duties and the exercise of its powers, including, but not
591 limited to, intergovernmental agreements under Chapter 102 of
592 Title 11, for the joint exercise of powers under this chapter.

593 (10) To enter into contracts and other instruments
594 necessary, incidental, or convenient to the performance of
595 functions by the local land bank authority on behalf of
596 municipalities or agencies or departments of municipalities;
597 or the performance by municipalities or agencies or
598 departments of municipalities; or of functions on behalf of
599 the local land bank authority.

600 (11) To procure insurance against losses in connection
601 with the real property, assets, or activities of the local
602 land bank authority.

603 (12) To invest money of the local land bank authority,
604 at the discretion of the board of directors, in instruments,
605 obligations, securities, or properties determined proper by
606 the board of directors, and name and use depositories for its
607 money.

608 (13) To hire and compensate employees and contractors,
609 to provide retirement and other forms of deferred
610 compensation, to provide fringe benefits, and to otherwise
611 contract with employees and contractors.

612 ~~(1)~~ (14) Without the approval of a local unit of
613 government in which property held by the local land bank
614 authority is located, control, hold, manage, maintain,
615 operate, repair, lease as lessor, secure, prevent the waste or
616 deterioration of, demolish, and take all other actions



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617 necessary to preserve the value of the property it holds or
618 owns. ~~An~~ local land bank authority may take or perform the
619 following actions with respect to property held or owned by
620 the local land bank authority:

621 a. Grant or acquire a license, easement, or option with
622 respect to property as the local land bank authority
623 determines is reasonably necessary to achieve the purposes of
624 this chapter.

625 b. Fix, charge, and collect rents, fees, and charges
626 for use of property under the control of the local land bank
627 authority or for services provided by the local land bank
628 authority.

629 c. Pay any tax or special assessment due on property
630 acquired or owned by the local land bank authority.

631 d. Take any action, provide any notice, or institute
632 any proceeding required to clear or quiet title to property
633 held by the local land bank authority in order to establish
634 ownership by and vest title to property in the local land bank
635 authority, including, but not limited to, a quiet title and
636 foreclosure action pursuant to Section 24-9-8.

637 e. Remediate environmental contamination on any
638 property held by the local land bank authority.

639 ~~(2) Enter~~ (15) To enter into an intergovernmental
640 agreement with a municipality or county, or another local land
641 bank authority, providing for one or more of the following:

642 a. The conveyance to the local land bank authority of
643 tax delinquent property held by the municipality or county for
644 title clearance, including, but not limited to, a quiet title



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645 and foreclosure action under Section 24-9-8.

646 b. The acquisition and title clearance of property by
647 the local land bank authority of property to be conveyed by
648 the local land bank authority to the municipality or county or
649 another entity pursuant to the agreement between the local
650 land bank authority and the municipality or county.

651 c. The performance of operational and administrative
652 services to be provided to another local land bank authority.

653 (16) To acquire property at a sale conducted in
654 accordance with Section 40-10-18 by tendering a bid equal to
655 the minimum amount specified in the decree of sale and the
656 costs and expenses subsequently accruing, which shall be
657 accepted, and a certificate of purchase issued to the local
658 land bank authority. The tender of the minimum bid in
659 accordance with this subsection shall be for cash, with a
660 credit for any and all components of the minimum bid already
661 due and payable to the county, municipality, and school board
662 whose taxes and liens compose part of the minimum bid. After
663 90 days from the date of sale, upon return of the certificate,
664 the judge of probate shall execute and deliver to the local
665 land bank authority a deed for each lot or parcel of property
666 that it purchased. The deed shall convey to, and vest in, the
667 grantee all right, title, interest, and estate of any and all
668 persons having an interest in the property as of the date of
669 the sale.

670 (17) To acquire a tax lien at an auction conducted in
671 accordance with Section 40-10-184 by tendering a cash bid at
672 an interest rate of 0.00 percent, which shall be accepted as



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673 the successful bid. The bid shall be tendered for cash, with a
674 credit for any and all components of the minimum bid already
675 due and payable to the county, municipality, and school board
676 whose taxes and liens compose part of the minimum bid.

677 (18) To apply for and receive funding through grants
678 and loans from the governmental unit or units that created the
679 local land bank authority, from other municipalities, from the
680 state, from the federal government, and from other public and
681 private sources.

682 (19) To receive and retain payments for services
683 rendered, for rent and leasehold payments received, for
684 consideration for disposition of real and personal property,
685 for proceeds of insurance coverage for losses incurred, for
686 income from investments, and for any other asset and activity
687 lawfully permitted to a local land bank authority under this
688 act.

689 ~~(f)~~ (g) A local unit of government and any agency or
690 department of ~~such~~the local unit of government may do one or
691 more of the following:

692 (1) Anything necessary or convenient to aid a local
693 land bank authority in fulfilling its purposes under Act
694 2013-249.

695 (2) Lend, grant, transfer, appropriate, or contribute
696 funds to a local land bank authority in furtherance of its
697 purposes.

698 (3) Lend, grant, transfer, or convey funds to a local
699 land bank authority that are received from the federal
700 government or this state or from any nongovernmental entity in



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701 aid of the purposes of Act 2013-249.

702 (h) A local land bank authority created by a county may
703 acquire real property only within the geographical boundaries
704 of the county and only in those portions of the county outside
705 of the geographical boundaries of the local land bank
706 authority created by a municipality located partially or
707 wholly within the county. A local land bank authority created
708 by a municipality may acquire real property in any of the
709 following locations:

710 (1) Within its own geographical boundaries.

711 (2) Outside of its own geographical boundaries so long
712 as the real property is not located within the boundaries of
713 any other local land bank authority.

714 (3) Within the geographical boundaries of another local
715 land bank authority pursuant to an intergovernmental agreement
716 between the local land bank authorities.

717 ~~(g) In the event a county creates a local authority,~~
718 ~~the local authority may acquire real property that has been~~
719 ~~tax delinquent for three or more years only in those portions~~
720 ~~of the county located outside of the geographical boundaries~~
721 ~~of any other local authority created by any municipality~~
722 ~~located partially or entirely within the county. The Land Bank~~
723 ~~Authority may acquire real property that has been tax~~
724 ~~delinquent for three or more years only in those portions of~~
725 ~~the state located outside of the geographical boundaries of~~
726 ~~any local authority created by any municipality or county.~~

727 ~~(h)~~ (i) Any local land bank authority formed by a
728 municipality or county pursuant to this section shall continue



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729 to exist in accordance with its articles of incorporation and
730 this section in the event that the number of tax delinquent
731 properties in the local jurisdiction forming the local land
732 bank authority subsequently decreases to 100 or less.

733 ~~(i)~~ (j) Any local land bank authority formed by a
734 municipality or county pursuant to this section shall permit
735 the Alabama Department of Examiners of Public Accounts to
736 perform an audit upon request by the department. The
737 department shall assess the cost of the audit against the
738 local land bank authority.

739 (k) As public property used for public purposes, the
740 real property of a local land bank authority, including, but
741 not limited to, real property held by a local land bank
742 authority pursuant to a long-term lease contract with
743 community land trusts and its income, are exempt from all
744 license fees, recording fees, and all other taxes imposed by
745 the state or by any of its political subdivisions, as well as
746 all stormwater fees and other municipal assessments.

747 (l) Up to 75 percent of the ad valorem taxes collected
748 on any and all real property, except any state or school
749 district ad valorem tax, conveyed by a local land bank
750 authority shall be remitted to the local land bank authority.
751 The specific percentage of the taxes to be remitted shall be
752 set forth in the local law, ordinance, resolution, or
753 intergovernmental contract of the local land bank authority.
754 The allocation of ad valorem tax revenues shall commence with
755 the first taxable year following the date of conveyance and
756 shall continue for a period of five consecutive tax years. The



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757 funds shall be remitted to the local land bank authority in
758 accordance with the administrative procedures established by
759 the tax commissioner or tax collecting official of the county
760 in which the local land bank authority is located. The
761 allocation of ad valorem tax revenues shall not occur if the
762 taxes have been previously pledged to secure a tax increment
763 financing debt of the authorizing governmental subdivision
764 creating the tax increment district pursuant to Chapter 99 of
765 Title 11, unless the authorizing subdivision enters into an
766 agreement with the local land bank authority for the
767 remittance of the funds to the local land bank authority."

768 Section 2. Sections 24-9-11 and 24-9-12 are added to
769 the Code of Alabama 1975, to read as follows:

770 §24-9-11

771 (a) A local land bank authority may convey ownership
772 of, or interest in, real property to a state or local
773 governmental entity for purposes of floodplain management or
774 stormwater drainage in the event of all of the following:

775 (1) Floodplain management or stormwater retention or
776 drainage is the highest and best use of the real property.

777 (2) As a result of housing and building code
778 restrictions, floodplain elevations, and other local, state,
779 or federal law or public and private agreements, conditions,
780 and limitations, the real property is no longer suitable for
781 development or redevelopment.

782 (b) (1) A local land bank authority may convey ownership
783 of, or interest in, real property under this section by grant,
784 deed, lease, or other form of conveyance, and may include



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785 additional limitations, restrictions, and conditions to be
786 determined by the local land bank authority.

787 (2) Consideration for the conveyance may be any of the
788 following not otherwise prohibited by law:

789 a. A nominal monetary payment.

790 b. A contractual obligation in favor of the party to
791 which the real property is being conveyed.

792 c. An exchange of real property.

793 d. Other consideration determined by the local land
794 bank authority and the party to whom the real property is to
795 be conveyed.

796 §24-9-12

797 (a) Upon declaring a state of emergency caused by a
798 natural disaster that causes widespread damage to, and
799 destruction of, real property and improvements and dislocation
800 of residents, the Governor may create a local land bank
801 authority in accordance with this section.

802 (1) The Governor may issue an executive order providing
803 for the immediate creation of a local land bank authority of a
804 local government located in whole or in part in a geographical
805 area that is subject to the declaration of the state of
806 emergency.

807 (2) The executive order shall provide for incorporation
808 and certification of the local land bank authority as required
809 under this chapter.

810 (b) Any local land bank authority created pursuant to
811 this section shall have all powers of a local land bank
812 authority created pursuant to Section 24-9-10.



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813 (c) Upon the necessary and appropriate action of the
814 local governments having jurisdiction over the geographical
815 areas subject to the declaration of the state of emergency, a
816 local land bank authority created pursuant to this section may
817 be converted into a local land bank authority created pursuant
818 to Section 24-9-10, at which time the local land bank
819 authority shall be the successor in interest and at law to the
820 local land bank authority created pursuant to this section.

821 (d) In the event that a local land bank authority
822 created pursuant to this section is not converted pursuant to
823 subsection (c), 12 months following the date of the Governor's
824 executive order, the local land bank authority created by the
825 executive order shall be dissolved in accordance with the
826 provisions of the Governor's executive order.

827 Section 3. Sections 40-1-3, 40-10-1, 40-10-18,
828 40-10-29, 40-10-120, 40-10-184, 40-10-197, and 40-10-199, Code
829 of Alabama 1975, are amended to read as follows:

830 "§40-1-3

831 From and after October 1 of each year, when property
832 becomes assessable the state shall have a lien upon each and
833 every piece or parcel of real property owned by any taxpayer
834 for the payment of all taxes which may be assessed against him
835 or her and upon each piece and parcel of property real or
836 personal assessed to owner unknown, which lien shall continue
837 until ~~such~~the taxes are paid, and the county shall have a like
838 lien thereon for the payment of the taxes which may be
839 assessed by it; and, if ~~such~~the real property is within the
840 limits of a municipal corporation, ~~such~~the municipal



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841 corporation shall have a like lien thereon for the payment of
842 the taxes which may be assessed by it. These liens shall be
843 superior to all other liens and shall exist in the order
844 named, and each of ~~such~~the liens may be enforced and
845 foreclosed by sale for taxes as provided in this title, or as
846 other liens upon property are enforced, except as otherwise
847 provided by ~~laws~~law. These taxes and liens shall include any
848 and all liens transmitted to the tax collecting official by
849 counties and municipal corporations in accordance with
850 Sections 11-40-35, 11-53B-16, 11-67-66, 45-37A-53, and any
851 other state law authorizing the transmittal of nuisance
852 abatement liens for weed removal and grass cutting."

853 "§40-10-1

854 (a) The probate court of each county may order the sale
855 of lands therein for the payment of taxes assessed on the
856 lands, or against the owners of the lands, when the tax
857 collector shall report to the court that he or she or the
858 holder of a tax lien issued pursuant to Acts 1995, No. 95-408
859 was unable to collect the taxes assessed against the land, or
860 any mineral, timber or water right or special right, or
861 easement therein, or the owner thereof, without a sale of the
862 land.

863 (b) For purposes of any enforcement proceedings under
864 this chapter, the taxes due shall include any and all liens of
865 a municipality for housing and building code violations and
866 enforcement actions and nuisance abatement assessment liens
867 which are transmitted to the tax collecting official in
868 accordance with Title 11."



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869 "§40-10-18

870 (a) If no person ~~shall bid~~bids for any real
871 ~~estate~~property offered at ~~such~~the sale an amount ~~sufficient to~~
872 ~~pay the sum~~ greater than the minimum bid specified in the
873 decree of sale, and the costs and expenses subsequently
874 accruing, and no minimum bid is tendered by a local government
875 or a local land bank authority, the judge of probate shall bid
876 in ~~such real estate~~the real property for the state at ~~a price~~
877 ~~not exceeding the sum specified in such decree and such~~
878 ~~subsequently accruing cost and expenses~~the minimum bid. In no
879 event shall the judge of probate bid in for the state less
880 than the entire amount of real ~~estate~~property included in any
881 assessment.

882 (b) If no person bids for any real property offered at
883 the sale in an amount greater than the minimum bid specified
884 in the decree of sale, and the costs and expenses subsequently
885 accruing, a local government or local land bank authority in
886 which the real property is located may tender a bid for the
887 minimum amount which bid shall be accepted and a certificate
888 of purchase issued to the entity. The tender of the minimum
889 bid in accordance with this subsection shall be for cash with
890 a credit for any and all components of the minimum bid already
891 due and payable to the county, municipality, and school board
892 whose taxes and liens compose part of the minimum bid."

893 "§40-10-29

894 (a) After the expiration of three years from the date
895 of the sale of any real estate for taxes, the judge of probate
896 then in office must execute and deliver to the purchaser,



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897 other than the state, or person to whom the certificate of
898 purchase has been assigned, upon the return of the
899 certificate, proof that all ad valorem taxes have been paid,
900 and payment of a fee of five dollars (\$5) to the judge of
901 probate, a deed to each lot or parcel of real ~~estate~~property
902 sold to the purchaser and remaining unredeemed, including
903 ~~therein~~, if desired by the purchaser, any number of parcels,
904 or lots purchased by him or her at ~~such~~the sale; and ~~such~~the
905 deed shall convey to and vest in the grantee all the right,
906 title, interest, and estate of the person whose duty it was to
907 pay the taxes on ~~such~~the real ~~estate~~property and the lien and
908 claim of the state and county thereto, but it shall not convey
909 the right, title, or interest of any reversioner or
910 remainderman therein.

911 (b) After the expiration of one year from the sale for
912 the minimum bid to a local government or local land bank
913 authority, upon return of the certificate of purchase, the
914 judge of probate shall execute and deliver to the entity a
915 deed to the real property sold to the entity. The deed shall
916 convey to, and vest in, the grantee all of the right, title,
917 interest, and estate of any and all persons having an interest
918 in the real property as of the date of the sale."

919 "§40-10-120

920 (a) (1) Except as otherwise provided in this subsection,
921 real property ~~Real estate~~ which hereafter may be sold for
922 taxes and purchased by the state may be redeemed at any time
923 before the title passes out of the state or, if purchased by
924 any other purchaser, may be redeemed at any time within three



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925 years from the date of the sale by the owner, his or her
926 heirs, or personal representatives, or by any mortgagee or
927 purchaser of ~~such lands, or any part thereof~~all or part of the
928 real property, or by any person having an interest ~~therein, or~~
929 ~~in any part thereof~~in all or part of the real property, legal
930 or equitable, in severalty or as tenant in common, including a
931 judgment creditor or other creditor having a lien thereon, or
932 on any part thereof; and an infant or ~~insane~~ person of unsound
933 mind entitled to redeem at any time before the expiration of
934 three years from the sale may redeem at any time within one
935 year after the removal of the disability; and ~~such~~the
936 redemption may be of any part of the ~~lands so~~real property
937 sold, which includes the whole of the interest of the
938 redemptioner. If the mortgage or other instrument creating a
939 lien under which a party seeks to redeem is duly recorded at
940 the time of the tax sale, the party shall, in addition to the
941 time herein specified, have the right to redeem the ~~real~~
942 ~~estate~~real property sold, or any portion thereof covered by
943 his or her mortgage or lien, at any time within one year from
944 the date of written notice from the purchaser of his or her
945 purchase of the ~~lands~~real property at tax sale served upon
946 ~~such~~the party, and notice served upon either the original
947 mortgagees or lienholders or their transferee of record, or
948 their heirs, personal representatives, or assigns shall be
949 sufficient notice.

950 (2) When any real property is sold for taxes and has
951 also been sold in one or more prior sales for taxes without
952 redemption from the prior tax sales, the three-year period for



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953 redemption shall be measured from the date of the earliest
954 sale of the real property for taxes.

955 (3) When any real property is sold for taxes at the
956 minimum bid specified in the decree of sale, and the real
957 property is not lawfully occupied as a residence as of the
958 date of the sale, the period for redemption shall be one year
959 from the date of the sale if one or both of the following
960 conditions apply:

961 a. The minimum bid included amounts attributable to one
962 or more housing and building code liens or nuisance abatement
963 liens.

964 b. Housing and building code liens, or nuisance
965 abatement liens, had been filed of record prior to the date of
966 the sale.

967 (4) When any real property is sold to a local
968 government or local land bank authority in accordance with
969 Section 40-10-18 for the minimum bid specified in the decree
970 of sale and the costs and expenses subsequently accruing, the
971 period for redemption shall be one year from the date of the
972 sale.

973 (b) If any real property has been sold for taxes and is
974 subject to redemption from the sale as set forth in subsection
975 (a) and has also been sold in one or more subsequent sales for
976 taxes, then any party entitled to redeem ~~such~~the sale for
977 taxes may redeem ~~such~~the sale if the redemptioner
978 simultaneously redeems his or her sale and all subsequent
979 sales. In the event of a redemption of successive sales, the
980 redemption amount shall be ascertained by applying the



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981 provisions of Sections 40-10-121 and 40-10-122. Redemption
982 amounts computed pursuant to Section 40-10-121 shall be paid
983 as stated ~~therein~~ in that section. Redemption amounts computed
984 pursuant to Section 40-10-122 shall be paid as stated
985 ~~therein~~ in that section if the purchaser had the right to
986 redeem pursuant to subsection (a) or was the owner of the then
987 current tax certificate or tax title. Otherwise, those funds
988 shall be disposed of as set forth in Section 40-10-28 and paid
989 to ~~such~~ the purchaser or his or her assignee only as set forth
990 in Section 40-10-28, with the time limits for ~~such~~ the
991 application computed utilizing the sale date when the
992 purchaser's interest was sold for taxes."

993 "§40-10-184

994 (a) On the day and time designated for a tax lien
995 auction, the tax collecting official shall proceed to auction
996 all tax liens described in the tax lien auction list compiled
997 as provided in Section 40-10-183, except those for which the
998 taxes, penalties, interest, fees, and costs ~~thereon~~ due on the
999 real property have been paid. Any tax lien unsold after a tax
1000 lien auction shall be retained by the county for future
1001 auction or sale as provided in this article.

1002 (b) A tax lien shall be sold at auction pursuant to
1003 this article to the person who pays all taxes, interest,
1004 penalties, fees, and costs due on the ~~property~~ real property,
1005 including an origination cost of twenty dollars (\$20) as of
1006 the date of auction and a twenty dollar (\$20) auction fee, and
1007 who, in addition, bids the lowest interest rate on the amount
1008 required to be paid to redeem the ~~property~~ real property from



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1009 the sale. The beginning interest rate bid shall not exceed a
1010 rate of 12 percent and additional bids may be made at a rate
1011 less than the immediately preceding bid. If the interest rate
1012 bid for the ~~property~~real property reaches 0.00 percent and
1013 more than one bidder remains, the tax collecting official
1014 shall draw lots to determine the winning bidder for the
1015 ~~property~~real property, unless a bid for 0.00 percent is
1016 submitted by a local government or a local land bank
1017 authority. If a bid for 0.00 percent is submitted by a local
1018 government or a local land bank authority, the bid shall be
1019 accepted as the successful bid. The tender of the bid by a
1020 local government or local land bank authority shall be for
1021 cash with a credit for any and all components of the minimum
1022 bid already due and payable to the county, municipality, and
1023 school board whose taxes and liens compose part of the minimum
1024 bid.

1025 (c) The sale of a tax lien does not extinguish any deed
1026 restriction, deed covenant, or easement on or appurtenant to
1027 the parcel. A tax lien offered for auction or sale shall be
1028 identified by a uniform parcel number and a legal
1029 description."

1030 "§40-10-197

1031 (a) (1) Except as otherwise provided in this subsection,
1032 at~~At~~ any time not less than three years after the auction or
1033 sale of a tax lien but not more than 10 years after the
1034 auction or sale, if the tax lien has not been redeemed, a
1035 holder of all of the sold tax lien certificates for a parcel
1036 of ~~property~~real property may bring in the circuit court of the



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1037 county in which the ~~property~~real property is located an action
1038 to foreclose the right to redeem and quiet title to the
1039 ~~property~~real property in the name of the holder of the tax
1040 lien certificate. If any applicable law or court order
1041 prohibits bringing an action to foreclose the right to redeem
1042 and quiet title to the ~~property~~real property, the limitation
1043 provided in this section shall be extended 12 months following
1044 the termination of the prohibition.

1045 (2) When any tax lien is auctioned and sold for taxes
1046 and the underlying real property has also been subject to one
1047 or more tax lien auctions and sales which tax liens have not
1048 been redeemed, the three-year period for redemption shall be
1049 measured from the date of the earliest sale of the unredeemed
1050 tax lien.

1051 (3) When any tax lien is sold for taxes at the minimum
1052 bid specified in the decree of sale, and the real property is
1053 not lawfully occupied as a residence as of the date of the
1054 sale, the period for redemption shall be one year from the
1055 date of the sale if either of the following conditions apply:

1056 a. The minimum bid included amounts attributable to one
1057 or more housing and building code liens or nuisance abatement
1058 liens.

1059 b. Housing and building code liens, or nuisance
1060 abatement liens, had been filed of record prior to the date of
1061 the sale.

1062 (4) When any tax lien is sold to a local government or
1063 local land bank authority in accordance with Section 40-10-184
1064 for the minimum bid specified in the decree of sale and the



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1065 costs and expenses subsequently accruing, the period for
1066 redemption shall be one year from the date of the sale.

1067 (b) (1) At least 30 days before filing a tax lien
1068 foreclosure action under this article, but not more than 180
1069 days before the action is commenced, the holder of the tax
1070 lien certificates shall send notice of intent to file the
1071 foreclosure action by certified mail to all of the following:

1072 a. The ~~property~~real property owner of record, according
1073 to the property tax records of the county in which the
1074 ~~property~~real property is located, at the owner's address shown
1075 in the records and at the street address of the ~~property~~real
1076 property if different.

1077 b. All holders of outstanding mortgages, judgment
1078 liens, or other liens on the ~~property~~real property as recorded
1079 in the probate office of the county in which the ~~property~~real
1080 property is located.

1081 c. The tax collecting official of the county in which
1082 the ~~property~~real property is located.

1083 (2) The notice shall include the ~~property~~real property
1084 owner's name, the uniform parcel number, the legal description
1085 of the ~~property~~real property, the name and address of the
1086 holder of the tax lien certificate, and a statement that the
1087 holder proposes to file a tax lien foreclosure action as soon
1088 as 30 but not later than 180 days after the date of mailing of
1089 the notice. If the holder fails to send the notice required by
1090 this subsection, the court shall dismiss any tax lien
1091 foreclosure action filed under this article.

1092 (c) The holder shall name as parties defendant to the



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1093 tax lien foreclosure action all persons entitled to redeem
1094 under this article. Upon filing the tax lien foreclosure
1095 action, the holder shall record a notice as provided by
1096 Section 35-4-131.

1097 (d) (1) In a tax lien foreclosure action, if the court
1098 finds that the tax lien auction or sale is valid, that proper
1099 notice has been given, that the holder is the holder of all of
1100 the sold tax certificates on the property, and that the tax
1101 liens have not been redeemed, the court shall enter judgment
1102 foreclosing the right of the defendant or defendants to redeem
1103 and shall direct the circuit clerk to execute and deliver to
1104 the party in whose favor judgment is entered a deed conveying
1105 the interests of the defendants in the ~~property~~real property
1106 described in the tax lien certificates.

1107 (2) After entry of judgment, a party whose rights to
1108 redeem the tax liens are foreclosed has no further legal or
1109 equitable right, title, or interest in the ~~property~~real
1110 property subject to the right of appeal and stay of execution
1111 as in other civil actions.

1112 (e) The foreclosure of the right to redeem does not
1113 extinguish any easement or right-of-way on or appurtenant to
1114 the ~~property~~real property or rights of any public utility or
1115 governmental entity in the ~~property~~real property.

1116 (f) (1) The clerk's deed executed in accordance with
1117 subsection (d) shall include all of the following information:

- 1118 a. The date of the judgment.
- 1119 b. The number and style of the case.
- 1120 c. The name of the plaintiff, who shall be stated as



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1121 the grantee.

1122 d. The legal description of the ~~property~~real property.

1123 e. The uniform parcel number of the ~~property~~real
1124 property.

1125 f. The date of the conveyance.

1126 (2) The original deed shall be delivered to the
1127 plaintiff for recording in the probate records in the county
1128 in which the ~~property~~real property is located.

1129 (g) Any person who is entitled to redeem under this
1130 article may redeem at any time before judgment is entered,
1131 notwithstanding that an action to foreclose has been
1132 commenced, by paying into the circuit court the redemption
1133 amount that would have been paid to the tax collecting
1134 official under Section 40-10-193 plus any other amounts
1135 determined by the court under this section. If the person who
1136 redeems has been served personally or by publication in the
1137 action, or if the person became an owner after the action
1138 began and redeems after a notice is recorded pursuant to
1139 subsection (c), the redeeming party shall also pay into the
1140 court with the redemption amount the costs incurred by the
1141 plaintiff in the action, including reasonable attorney fees
1142 actually incurred, to be determined by the court. The court
1143 shall then order the tax lien certificates ~~cancelled~~canceled
1144 and the tax liens void, the redemption amount be paid to the
1145 tax collecting official, and the costs and attorney fees be
1146 paid to the plaintiff.

1147 (h) If a tax lien that was purchased pursuant to this
1148 article is not redeemed and the holder of the tax lien



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1149 certificate fails to commence a tax lien foreclosure action on
1150 or before 10 years from the date of the tax lien certificate,
1151 the tax lien certificate shall expire and the lien shall
1152 become void.

1153 (i) If a judicial proceeding prohibits bringing a tax
1154 lien foreclosure action, the time of expiration under this
1155 section shall be extended by 12 months following the
1156 completion of the judicial proceeding."

1157 "§40-10-199

1158 (a) Tax liens that are not sold at the tax lien auction
1159 conducted by the tax collecting official shall be separated in
1160 the tax lien auction list as prescribed by Section 40-10-183
1161 and the county shall retain the lien pursuant to Section
1162 40-1-3. The~~The~~Except as otherwise provided in this subsection,
1163 the tax collecting official, within 45 days after the tax lien
1164 auction date, may sell at private sale an unsold tax lien for
1165 no less than all taxes, interest, penalties, costs, and fees.
1166 A local land bank authority may acquire the unsold tax lien
1167 for cash with a credit for any and all components of the tax
1168 lien aggregate amount due and payable to the county,
1169 municipality, and school board. The purchaser at private sale
1170 shall be entitled to interest on the amount paid at a rate
1171 agreed to by the tax collecting official, not to exceed 12
1172 percent. All private tax lien sales shall be entered in the
1173 record of tax lien auctions and sales, as provided in Section
1174 40-10-188.

1175 (b) All tax liens that remain unsold by the tax lien
1176 auction or sale shall be included in all future tax lien



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1177 auctions or sales until sold.

1178 (c) Any tax lien that does not sell at auction shall be
1179 reported to the county commission when seeking approval of
1180 errors in assessments, ~~litigations~~litigation, or insolvents as
1181 the tax collecting official will be allowed credit for taxes
1182 due to this state upon final settlement with the state
1183 Comptroller."

1184 Section 4. This act shall become effective on October
1185 1, 2024.