**ALABAMA DEPARTMENT OF REVENUE**
**ADMINISTRATIVE CODE**

**CHAPTER 810-4-1**
**AD VALOREM TAX**

## 810-4-1-.24 Excess Funds Procedures For Tax Sales Occurring On Or After August 1, 2013 And Prior To July 1, 2014.

(1) PURPOSE - This rule is issued pursuant to the authority contained in Sections 40-2-11 and 40-10-28, Code of Ala. 1975, for the purpose of establishing guidelines and procedures for the uniform processing of excess funds from the sale of tax delinquent property.

(2) DEFINITIONS – For the purpose of this rule, the following terms shall have the following meanings:

(a) Administrative Redemption – a redemption of tax sale property within the three years of the date of the tax sale.

(b) Certificate of Pending Redemption - Issued by the County Redemption Official to the person or entity redeeming the real estate to certify that a tax sale redemption has been processed.

(c) County Redemption Official – The county official charged with the responsibility of processing the redemption of tax sale property.

(d) Decree of Sale - taxes, costs, interest, and fees associated with a tax sale.

(e) Excess Funds – The funds arising from the tax sale of any real estate remaining after paying the amount of the decree of sale, including costs and expenses subsequently accruing.

(f) Excess Funds Voucher - Issued by the County Commission to the person or entity that has totally redeemed or partially redeemed the property as certified by the Certificate of Pending Redemption. For a total redemption the voucher is in lieu of the amount equal to the excess bid and for a partial redemption the voucher is in lieu of the percentage of the excess funds equal to the percentage of the property being redeemed.

(g) Proper Redemption - An administrative redemption within the three year redemption period or a judicial redemption within the ten year period.

(3) REDEMPTION PROCEDURES.

(a) Upon receipt of payment of all costs of redemption less the amount of excess the county redemption official shall complete a "Certificate of Pending Redemption" in the name of the person or entity redeeming the real estate.

(b) The "Certificate of Pending Redemption" must then be submitted to the County Commission as proof that payment of all other costs associated with the redemption have been paid. Upon receipt of the "Certificate of Pending Redemption" as proof that payment of all other costs associated with the redemption of the real estate have been paid, the county commission shall issue an "Excess Funds Voucher" which the county redemption official shall accept in lieu of the amount equal to the excess funds to complete the redemption process.

(4) DISBURSMENT OF EXCESS FUNDS

(a) Upon completion of all requirements for the proper redemption of any real estate, any excess funds including interest paid as required by Title 40-10-122, Code of Ala. 1975, may be remitted to the tax sale purchaser pursuant to the procedures set forth in Title 40-10-122, Code of Ala. 1975. The tax sale purchaser must surrender the certificate of assignment prior to receiving the excess funds and interest.

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

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

(5) EFFECTIVE DATE- Effective August 1, 2013 for tax sales occurring on or after August 1, 2013 and prior to July 1, 2014.

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**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-2-11, 40-7-49, 40-10-28.
**History:** **New Rule:** Filed February 20, 2015, effective March 27, 2015.