

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-4-1-24

Rule Title: Excess Funds Procedures

XX New; ___ Amend; ___ Repeal; ___ Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?

No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?

Yes

Is there another, less restrictive method of regulation available that could adequately protect the public?

No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?

No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?

N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?

Yes

Does the proposed rule have any economic impact?

No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 11/19/14

APA-6
10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-4-1-.24

Rule Title: Excess Funds Procedures

New Amend Repeal Adopt by Reference

- NO This rule has no economic impact.
 YES This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND

**BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE
BENEFITS AND BURDEN COMPARISON:**

9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC
HEALTH:**

10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH
IF THE RULE IS NOT IMPLEMENTED:**

11. **OTHER COMMENTS:**

APA-2
11/96

ALABAMA DEPARTMENT OF REVENUE
Property Tax Division

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-4-1-.24 Excess Funds Procedures

INTENDED ACTION: Adopt new rule

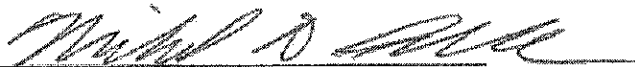
SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to provide guidelines and procedures for the uniform processing of excess funds arising from the sale of tax delinquent property.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 3:00 p.m. on Wednesday, January 7, 2015, Room 1203, First Floor, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at ww.revenue.alabama.gov/rulehear.html.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Wednesday, January 7, 2015

CONTACT PERSON AT AGENCY:
Patricia Toles
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380


Michael D. Gamble, Secretary
Alabama Department of Revenue

0950APC.INT

810-4-1-.24 Excess Funds Procedures for Tax Sales Occurring on or after August 1, 2013 and prior to July 1, 2014. (NEW RULE)

(1) PURPOSE - This rule is issued pursuant to the authority contained in Sections 40-2-11 and 40-10-28, Code of Alabama, 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.

(a) 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 Alabama, 1975 may be remitted to the tax sale purchaser pursuant to the procedures set forth in Title 40-10-122, Code of Alabama, 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.

Authors: Shelley Tice and Will Martin

Authority: Sections 40-2A-7(a)(5), 40-2-11, 40-7-49 and 40-10-28, Code of Alabama, 1975.

History:

APPENDIX A - Chapter 810-4-1

Attachment 810-4-1-.24

Certificate of Pending Redemption ADV-LD-PR

CERTIFICATE OF PENDING REDEMPTION

Property Being Redeemed:

Assessee at the Time of the Tax Sale: _____

Parcel Number: _____

Legal Description: _____

Date of Tax Sale: _____

WHEREAS, on the _____ day of _____, 20____, an application has been received from _____ to redeem the above described real property located in _____ County, I, Tax Collector/Revenue Commissioner/Probate Judge of said County do hereby acknowledge that the costs associated with the redemption, **excluding the excess funds**, for the above property have been paid.

FULL REDEMPTION

PARTIAL REDEMPTION

Approved: _____

Tax Collector/Revenue Commissioner/Probate Judge

VOUCHER TO CLAIM EXCESS FUNDS ARISING FROM A TAX SALE

After receiving proof as evidenced on the "Certificate of Pending Redemption" that the purposed redemptioner has paid all costs associated with the redemption, **excluding the excess funds**, the County Commission hereby approves the credit of the excess funds to the person or entity stated above.

Amount of Excess Funds:\$ _____

CREDIT

Approved by the County Commission on the _____ day of _____, 20____.

County Commission Official