



*AAAO Summer Conference*

# Redemptions

Traditional Tax Sales



## *Two Types of Redemptions:*

- Administrative
- Judicial



## *When Can The Property Be Redeemed?*

- Within three years from the date of the tax sale.
- Before title passes out of the State
  - When the tax deed has been delivered to and signed for by the purchaser.



## *Who can redeem?*

- The owner (including his/her heirs or personal representative(s))
- Any person having a legal or equitable interest
  - Always a good idea to ask for written documentation in order to establish a person or party's right to redeem.



## Steps in the Redemption Process

- Determine the property that is being redeemed
- Determine if the proposed redemptioner has redemption rights
- Send “Verification of Allowable Expenses” Form/Redemption Affidavit to tax sale purchaser



### VERIFICATION OF ALLOWABLE EXPENSES BY TAX SALE PURCHASER

1. **Proposed Redemptioner:** Name: \_\_\_\_\_  
(If corporation or other business entity, state both the name of the entity and the name and capacity of the person representing the entity)  
 Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

2. **Tax Sale Purchaser (or Transferee):** Name: \_\_\_\_\_  
(If corporation or other business entity, state both the name of the entity and the name and capacity of the person representing the entity)  
 Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

3. **Property Information:** Parcel#: \_\_\_\_\_ Date of Tax Sale: \_\_\_\_\_  
 Physical Address: \_\_\_\_\_

\_\_\_\_\_ and \_\_\_\_\_  
(Insert name of proposed redemptioner) (Insert name of tax sale purchaser or transferee)  
 hereby represent and affirm that all sums due pursuant to Code of Alabama, §40-10-122(b) and (c) (1975) have been paid and that a Certificate of Redemption may be issued pursuant to Code of Alabama, §40-10-127 (1975) upon payment of those sums required by Code of Alabama, §40-10-122(a).

Signature of Redemptioner: \_\_\_\_\_ Signature of Tax Sale Purchaser or Transferee: \_\_\_\_\_  
 Date: \_\_\_\_\_ Date: \_\_\_\_\_



### REDEMPTION AFFIDAVIT

1. **Proposed Redemptioner:** Name: \_\_\_\_\_  
(If corporation or other business entity, state both the name of the entity and the name and capacity of the person representing the entity)  
 Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

2. **Tax Sale Purchaser (or Transferee):** Name: \_\_\_\_\_  
(If corporation or other business entity, state both the name of the entity and the name and capacity of the person representing the entity)  
 Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

3. **Property Information:** Parcel#: \_\_\_\_\_ Date of Tax Sale: \_\_\_\_\_  
 Physical Address: \_\_\_\_\_

I, \_\_\_\_\_ and \_\_\_\_\_  
(Insert name of proposed redemptioner) (Insert name of tax sale purchaser or transferee)  
 hereby represent and affirm that all sums due pursuant to Code of Alabama, §40-10-122(b) and (c) (1975) have been paid and that a Certificate of Redemption may be issued pursuant to Code of Alabama, §40-10-127 (1975) upon payment of those sums required by Code of Alabama, §40-10-122(a).

Signature of Redemptioner: \_\_\_\_\_ Signature of Tax Sale Purchaser or Transferee: \_\_\_\_\_  
 Date: \_\_\_\_\_ Date: \_\_\_\_\_

STATE OF ALABAMA STATE OF ALABAMA  
 COUNTY OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

I, the undersigned, a Notary Public in and for the said County and State, do hereby certify that \_\_\_\_\_ whose name, as an individual or as the \_\_\_\_\_ is stated in the foregoing instrument, and who is known to me, acknowledged before me on this day that, being advised of the contents of the said instrument, he/she executed the same voluntarily, as an individual or as such officer and with full authority for and in the act of the said entity.

Gives under my hand and official seal this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public: \_\_\_\_\_ Notary Public: \_\_\_\_\_  
 My Commission Expires: \_\_\_\_\_ My Commission Expires: \_\_\_\_\_



## Steps in the Redemption Process (continued)

- Provide redemptioner with estimate once the allowable expenses/affidavit form has been signed and returned.
- Once payment is received, contact the tax sale purchaser and request that they return the original certificate of sale.
- If necessary, request excess funds from the County Commission



**Steps in the Redemption Process (continued)**

- Have redemption certificate signed by the Official and the County Treasurer
- Make several copies of the redemption certificate and send the original to the redemptioner.
- Once the tax sale purchaser has returned the original certificate, they can be their funds.



**Act 2018-494**

- This act becomes effective on January 1, 2020 and does not affect any tax sales that occurred prior to effective date.
- One the tax becomes delinquent interest will accrue at a rate of 12% until the date of the tax sale.



**Act 2018-494 (continued)**

- When a 2020 tax sale is redeemed, an 8% interest rate should be used to calculate the redemption.
- The Redemption Official will no longer be required to verify the costs/expenses provided in subsections (b) through (e) of 40-10-122 for the proposed redemptioner to take possession of the property
  - If the property does meet the requirement of subsections (b) through (e) then the redemption should be completed and a Redemption Certificate issued.



**Act 2018-494 (continued)**

- If the property does meet the requirements of subsections (b) through (e) and the proposed redemption can provide the appropriate documentation to verify payment of the allowable expenses/costs, then the redemption should be completed and a Redemption Certificate issued.



**Act 2018-494 (continued)**

- If the property does meet the requirements of subsections (b) through (e) but documentation cannot be provided to verify payment of allow expenses/costs:
  - Hold the funds until the proposed redemptioner provides verification of payment
  - Proposed redemptioner must reimburse the purchaser for these costs prior to January 1 of the following tax year or by the expiration of the three-year statutory redemption period, whichever comes first



**Act 2018-494 (continued)**

- If the proposed redemptioner fails to do this, he/she shall forfeit the right of possession in the property and the redemption shall fail.
- The Official must refund the proposed redemptioner funds which were paid in accordance with 40-10-122(a)(1)
  
- If the proposed redemptioner forfeits his/her right to possession under subsection 10-10-122(a)(2), he/she may continue to attempt redemption until the three-year statutory period expires