

****NOTICE****

There have been changes made to the Tax Lien Auction. Below is a copy of Alabama Code 40-10-191.

Ala. Code § 40-10-191

Section 40-10-191 - Holder of certificate to have first right to purchase tax lien; abandonment of certificate

(a) The holder of a tax lien certificate shall have the first right to purchase the tax lien relating to a subsequent delinquency on the property described in the tax lien certificate of the holder. A holder of the certificate shall exercise this right between five and 30 days prior to the tax lien auction date, and the purchase by the holder shall be effective as of the date of the tax lien auction as if the holder has been the winning bidder. A holder of the certificate who exercises this right, upon payment of the purchase price, shall be issued a certificate of purchase in accordance with Section 40-10-187 and is entitled to the same interest rate as shown on the previous tax lien certificate. The owner of the property shall be notified within 30 days of the completion of the first right of purchase, in accordance with Section 40-10-187(g).

(b)

(1) If the holder of a tax lien certificate fails to exercise the first right to purchase a subsequent tax lien, an amount equal to the redemption price of the tax lien shall be added to the purchase price at the subsequent tax lien sale or auction and the tax lien certificate shall be transferred to the purchaser of the subsequent tax lien.

(2) A transfer of the tax lien certificate as provided in this subsection shall vest in the transferee all the rights and title of the previous holder of the tax lien certificate; the previous tax lien certificate shall be canceled; and a new tax lien certificate shall be issued to the purchaser.

(3) The amount paid from the transfer shall be distributed to the previous holder of the tax lien certificate, along with a notice of cancellation of the previous tax lien certificate, within 30 days of the receipt of the purchase price.

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

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

Ala. Code § 40-10-191 (1975)

Amended by Act 2024-324, § 1, eff. 6/1/2024, app. to all tax liens for which a final judgment in a foreclosure and quiet title action has not been rendered on or before June 1, 2024.