

TAX SALE Redemption Procedures (Sold to Party other than the State)

Scenario #1 - No additional compensation is owed to the tax sale purchaser.

- Step 1- At any time within the (3) three year redemption period, the proposed redemptioner must contact the tax sale purchaser and request that he or she complete the tax sale purchaser section of the redemption affidavit in order to redeem the property.
- Step 2- Since no additional compensation is owed to the tax sale purchaser for permanent or preservation improvements, the tax sale purchaser must comply with the request and return the redemption affidavit to the proposed redemptioner within a timely manner.
- Step 3- Upon receipt of the redemption affidavit from the tax sale purchaser, the proposed redemptioner can present the redemption affidavit and proper funds to the Revenue Commissioner's Office to redeem the property.

Scenario #2 – Additional compensation is owed to the tax sale purchaser.

- Step 1- At any time within the (3) three year redemption period, the proposed redemptioner must make a written demand to the tax sale purchaser for a statement of the value of all permanent or preservation improvements that are applicable to the Code of Alabama 40-10-122(b) and (c).
- Step 2- When compensation is owed to the tax sale purchaser for permanent or preservation improvements, the tax sale purchaser must provide the proposed redemptioner with the amount claimed for the value of the permanent or preservation improvements that are applicable to the Code of Alabama 40-10-122(b) and (c) within 10 days of receipt of the written demand.
- Step 3- Within 10 days of receipt of the amount owed to the tax sale purchaser, the proposed redemptioner should agree or disagree to pay the amount established by the tax sale purchaser. If the proposed redemptioner agrees to pay the amount established by the tax sale purchaser, then upon receipt of the redemption affidavit, he or she can present the redemption affidavit and proper funds to the Revenue Commissioner's Office to redeem the property. If the proposed redemptioner disagrees to pay the amount established by the tax sale purchaser, then the proposed redemptioner must appoint a referee to value the permanent or preservation improvements that are applicable to the Code of Alabama 40-10-122(b) and (c), notify the tax sale purchaser of the disagreement with the value, and provide the appointed referee's information.
- Step 4- Within 10 days after receipt of the disagreement notice and appointed referee's information, the tax sale purchaser must appoint a referee to value the permanent or preservation improvements and provide the appointed referee's information.

- Step 5- Within 10 days after the tax sale purchaser's appointment of a referee, the two referees must meet and confer on the award to be made by them. If the referees cannot agree, then they must appoint an umpire immediately. Within 10 days after the appointment of the umpire, an award by the majority will be final between the parties; at which time, the proposed redemptioner can present the redemption affidavit and proper funds to the Revenue Commissioner's Office to redeem the property.
- Step 6- If the proposed redemptioner fails or refuses to appoint a referee, he or she must pay the value provided by the tax sale purchaser.
- Step 7- If the tax sale purchaser fails or refuses to appoint a referee, he or she forfeits the claim to compensation for the permanent or preservation improvements.
- Step 8- The failure of the referees, proposed redemptioner, or tax sale purchaser to appoint an umpire will not impair or forfeit the right of the proposed redemptioner or the tax sale purchaser to the property. In the event of failure without fault of the parties to establish an award, the appropriate court should proceed to determine the true value of the permanent or preservation improvements that are applicable to the Code of Alabama 40-10-122(b) and (c) and enforce the redemption accordingly.