

Tax Lien Sale

In 2018, the Alabama State Legislature passed Act 2018-577, giving tax collecting officials an alternative remedy for collecting delinquent property taxes by the sale of a tax lien instead of the sale of property. For tax year 2023 delinquent properties, Tallapoosa County Revenue Commission has decided to migrate to the sale of tax liens. All tax liens representing unpaid and delinquent taxes on real property are subject to a public auction.

1. What authorizes the Tallapoosa County Revenue Commissioner to hold a tax lien auction?

In 2018, Governor Kay Ivey signed into law Act 2018-577, providing counties an alternative remedy for collecting delinquent property taxes by the sale of a tax lien. This law vests the taxing official with the authority to use either the sale of a tax lien or the sale of property to collect delinquent property taxes each year.

2. What is a tax lien auction and what is its purpose?

A tax lien auction is the public sale of all tax liens advertised under Alabama Code § 40-10-182 and held no earlier than March 1 or later than June 15 of the current ad valorem tax year where the awarding of the tax lien certificate is based on the lowest interest rate bid on a tax lien.

The purpose of the tax lien auction is to secure payment of delinquent real property taxes in Tallapoosa County. Tallapoosa County property owners are required to pay property taxes annually to the Revenue Commissioner. Real property taxes become due and payable on October 1 of each year, and become delinquent if not paid before midnight, December 31.

The Revenue Commissioner is authorized to secure payment of delinquent taxes through a tax lien auction, in which the perpetual first priority lien provided by Alabama Code § 40-1-3 is sold and transferred to a purchaser through a public auction, to recover any taxes assessed and levied against the property, along with interest, penalties, fees, and costs.

3. What is the date, time, and location of Tallapoosa County's tax lien auction?

Date: April 2, 2024

Time: Auction starts at 10:00 AM (CST) and will continue each day until the auction is complete.

Online Auction- www.govease.com

Tallapoosa County has elected to conduct its tax lien auction online.

Bids will be transmitted and received through the internet using a computer and web browser.

4. Will you be offering any training on how to use the GovEase.com auction platform?

Yes, GovEase Auction, LLC will provide online training at www.govease.com. GovEase Auction, LLC has provided online instructional videos to assist in the tax lien auction process. These videos are available on www.govease.com. Please call the Revenue Commissioner's office with additional questions.

5. How often do you hold the tax lien auction?

For tax year 2023, the online live auction will begin at 10:00 AM, April 2, 2024. Pre-bidding will begin April 1, 2024 at www.govease.com. Any unsold liens will be subject to a private lien sale occurring after the online auction has completed.

The tax lien auction is held once per year, between March 1 and June 15.

6. Which properties are included in the tax lien auction?

The tax liens to be auctioned are for those properties on which the delinquent taxes have not been paid within the provided time period. An electronic copy of the list of properties may be accessed at www.tallapoosapropertytax.com or **interested parties may pick up a paper copy at the Revenue Commissioner's office at 125 N Broadnax St. Rm 106 Dadeville, AL 36853. Printed lists are \$5.00 each.**

The list will include the following information: (1) owner names (2) property description (3) year/years for which taxes are delinquent (4) delinquent taxes owed, plus interest, penalties, fees, and costs calculated as of the date of the auction for each assessment. Please be aware that some property owners may pay their delinquent taxes between the time the list is published and the tax lien auction is held, in which case any such properties will not be included in the tax lien auction.

7. Are those property owners whose parcels are subject to auction notified about the tax lien auction?

Yes, at least 30 days before the auction, the Tallapoosa County Revenue Commission mails notice of the auction to each delinquent taxpayer, and advertises the auction on its official website.

In addition, the auction is advertised in the local newspaper. Taxpayers have the opportunity to pay delinquent taxes on their properties up until 5:00 PM on April 1, 2024, after which time they have the right of redemption.

8. When and where will the tax lien auction list be advertised?

The Tallapoosa County Revenue Commissioner's Website - www.tallapoosapropertytax.com

9. Where can I find information about property locations that are included on the list?

You can look up parcel information using the Tallapoosa County Revenue Commissioner's website, www.tallapoosapropertytax.com, by searching for information included in the list such as owner, address, key number, or parcel ID or Tallapoosa County's Public website on www.alabamagis.com.

Please note that it is your responsibility to independently research any property in which you are interested to determine property value and whether there are any liens, encumbrances, title defects, etc. The Revenue Commission does not assist in research.

10. When will I be able to register for the tax lien auction?

Bidder registration will be available March 4, 2024. During the registration process, participants are encouraged to thoroughly review the instructions regarding setting up payment, frequently asked questions (FAQs), rules, and the provided online training videos.

Please contact the Revenue Commissioner's office at 256-825-7818 ext. 2, with any other questions related to registration or training.

11. What are the payment requirements for the tax lien auction?

We accept the following methods of payment: Cashier's check, money order, cash or credit card. A successful bidder must remit full and final payment of funds to the Revenue Commissioner's office no later than 4:00PM the day of the sale.

NOTE: Payment information must be arranged with the Tallapoosa County Revenue Commissioner's office prior to you becoming an accepted bidder. Please see registration information.

12. What software or equipment do I need to be able to participate?

In order to participate in the online tax lien auction, a bidder must have a computer with internet access and a web browser (recommended: Internet Explorer 8.0 or higher, Firefox, Safari, or Chrome). If you do not have access to a computer, most public libraries generally have computers that are available for public use.

13. Do you allow investors to invest in tax lien certificates without attending the auction via mail or telephone or fax?

No. All accepted bidders must participate in the online tax lien auction at [GovEase.com](https://www.govease.com). Accepted bidders may participate in a pre-bid process that begins online, April 1, 2024. GovEase has provided training information located here regarding the pre-bidding process.

14. What is the bidding process?

A tax lien shall be sold at auction. A lien includes all taxes, interest, penalties, fees, and costs due on the property as of the date of the auction. Bidding is not based on the amount of money the buyers of a tax lien are willing to pay. The amount required to purchase the tax lien is already set. Bids are based on the amount of interest the buyers are willing to accept as full payment on the lien. The lien is sold to the bidder bidding the lowest interest rate on the amount required to be paid to redeem the property from the auction. The beginning interest rate bid shall not exceed a rate of 12%. Additional bids may be made at a rate less than the immediately preceding bid. The bids will be in 1% increments until no bidder continues to bid lower or until the interest rate reaches 0%. Example: If the current bid is 12%, the next acceptable bid will be 11% or lower until bidding stops or reaches 0%.

Pre-bidding will be available. Pre-bidding allows bidders the convenience of reviewing properties and selecting the minimum interest rate they are willing to accept on a property at live auction.

15. During the auction, what will happen if more than one bidder submits an interest rate bid of 0%?

If the interest rate bid for the property reaches 0% and more than one bidder remains, the winning bid shall be determined by a random number generator.

16. How much time do I have to bid on each tax lien that is put up for auction?

Each tax lien offered for auction will be open for bidding for 30 seconds. However, in the event that a bid is placed in the last 10 seconds, the clock will automatically be reset for an additional 10 seconds, to allow other interested bidders the opportunity to submit further bids.

17. What type of document is issued after the tax lien auction?

A bid report and a tax lien certificate. After the tax lien auction is over, “winning” bidders will receive their bid reports with a list of parcel numbers purchased and the corresponding amounts due.

The certificate will include the auction date, lien holder, the assessment year to which the tax lien relates, the amount of all taxes, penalties, interest, fees, and costs due on the property as of the date of the auction, and the interest rate per annum bid on the parcel.

18. What happens to any other encumbrances on the property when I purchase a tax lien?

The sale of a tax lien does not extinguish any deed restriction, deed covenant, easement on or appurtenant to the parcel. A tax lien purchased from the County has higher priority than other existing liens on the property.

19. How will the property owner find out who purchased a tax lien on the property?

Within 10 days after the tax lien auction closes, the Revenue Commissioner will send notice by first class mail to the owner at the address listed in the property assessment, informing that the tax lien has been auctioned. The notice will include the date of the auction and the name and address of the tax lien purchaser.

20. Are there any other expenses related to the auction, in addition to the costs of the lien?

The costs of the lien will include all the cost associated with the auction process including a \$20 origination fee and \$20 auction fee. A \$5.00 tax auction certificate fee will be added to each sale.

21. If I am awarded the tax lien, will I be required to pay subsequent taxes each year?

No, this is entirely optional. The holder of a tax lien certificate has the first right to purchase the tax lien for the subsequent year's delinquent taxes on the property described in the certificate. A holder who exercises this right to pay the subsequent year's taxes is entitled to the same interest rate shown on the previous tax lien certificate.

22. May I transfer or sell my tax lien certificate to someone else?

Yes, a tax lien certificate may be transferred and assigned to another party. Please refer to [Alabama Code § 40-10-187\(e\)](#) for additional information on transferring tax lien certificates.

23. Is ownership in the property transferred to the purchaser of the tax lien?

No, as a tax lien purchaser, you are not acquiring any right, title or interest in the property. You are only purchasing a lien against the property based on delinquent taxes.

If a tax lien that was purchased pursuant to this article is not redeemed and the holder of the tax lien certificate fails to commence a tax lien foreclosure action on or before 10 years from the date of the tax lien certificate the tax lien certificate shall expire and the lien shall become void.

24. If I own property for which a tax lien was auctioned in a prior year, can I pay my current year taxes without paying the holder of the previous year's tax lien?

No, a property owner must redeem all outstanding tax liens on the property before paying the current year taxes due.

25. How do you redeem a tax lien that has been sold at auction?

Tax lien redemptions must be made through the Tallapoosa County Revenue Commissioner's office. Redemptions can be made any time following the close of the auction, before judgment of foreclosure is entered. Redemption payments must be made in certified funds (cash, cashier's check, money order). In order to redeem, one must pay off the amount of the debt as specified in the tax lien certificate, which consists of delinquent taxes, interest, penalties, fees, and costs, plus the interest due to the purchaser of the tax lien, as specified in the tax lien certificate and a \$10 redemption fee.

The following may redeem tax liens: (1) The owner, including a partial owner of less than whole in the real property, or heirs or personal representative; (2) Any mortgagee or purchaser of the property or any portion of the property; or (3) Any person listed under [Alabama Code § 40-10-120\(a\)](#), if the property has been sold for taxes.

Please note, if a tax lien that was purchased pursuant to this article is not redeemed and the holder of the tax lien certificate fails to commence a tax lien foreclosure action on or before 10 years from the date of the tax lien certificate the tax lien certificate shall expire and the lien shall become void.

26. What will be issued by the Revenue Commissioner's office to prove that a tax lien has been redeemed?

Once an application to redeem the tax lien has been made by a person who has the right to redeem, and payment for the amount due has been received, the Revenue Commissioner's office will issue to the redeeming individual a certificate of redemption appended to a copy of the certificate of tax lien, stating the date of redemption, amount paid, and by whom redeemed. The Revenue Commissioner's office will make entries in the record of tax lien auctions of the above, and mail a copy of the redemption certificate to the holder of the tax lien certificate.

27. What happens to the liens that are not sold at the tax lien auction? Can they be purchased over-the-counter directly from the county? Can I purchase them now?

Tax liens that are not sold at auction are held by Tallapoosa County. Remaining liens can be purchased over-the-counter at the Revenue Commissioner's office for no less than all taxes, interest, penalties, costs, and fees; the interest rate may not exceed 12%. Any tax liens remaining unsold after the auction or sale shall be included in future tax lien auctions or sales until they are sold.

Current year tax liens are not available for purchase because they are not yet delinquent and have not been offered for sale at the annual tax auction. Please contact our office at 256-825-7818 ext.2 for more information about unsold tax liens.

29. Does a tax lien that is purchased at auction ever expire?

Pursuant to [Alabama Code § 40-10-197](#), if a tax lien purchased at auction is not redeemed and the holder of the tax lien certificate does not bring a foreclosure action within 10 years from the date of the certificate, the tax lien certificate expires and the lien becomes void.

Please note that alterations to the law may occur regularly; we will update this frequently asked question list as we receive those changes as well as post updates on our [website](#). Suggest to consult with an attorney regarding any question on law or your specific rights.

30. Where can I find a copy of the statutes regarding tax lien auctions in your jurisdiction?

[The Code of Alabama Title 40, Article 7, 40-10-180 through 40-10-200. Act 2018-577.](#)