

810-12-1-.07 Sale of Real Property Acquired through a Sheriff's Sale by means of Public Auction or Public Sale Under Sealed Bids

(1) PURPOSE. To set forth departmental guidelines and procedures for the sale of real property acquired through a Sheriff's Sale that are consistent with the provisions of §40-29-23(b), Code of Ala. 1975.

(2) SEALED BID GUIDELINES AND PROCEDURES. The department shall use the procedures below for the sale of real property under sealed bids after the right of redemption has expired as provided in §40-29-28(b), Code of Ala. 1975.

(a) At any time prior to the sealed bid opening date, the taxpayer may redeem his property by paying to the department the amount of the final assessment, along with accrued interest, and all costs of the sale. Such costs may include advertising fees, online fees, and other reasonable costs that the department incurs in connection with preparing the property for sale.

(b) The department will offer for sale only the right, title, and interest of the department in and to the property. The property will be sold subject to all prior encumbrances of record. It is the duty of the bidders to determine the liens, if any, that may be a prior encumbrance on the property.

(c) Preparing the Invitation for Bids - An Invitation for Bid notice shall be prepared by the department providing the following:

1. Description of the property being offered for sale
2. County property is held
3. Sealed bid closing date and time
4. Method of submitting bid
5. Minimum bid amount
6. Bid deposit amount

(d) Terms and Conditions of Sealed Bids - Before submitting a bid, bidders must accept the following terms of the Invitation to Bid:

1. The department reserves the right to withdraw the property from sale and the right to reject bids at any time.

2. The day, time, and location of when the property is to be sold will be set by the department.

3. The department will use an online bid process for the sale of real property, unless it is determined not to be in the state's best interest. Special circumstances where a bid cannot be submitted using the prescribed method above can be granted with written preapproval from the Director of Collection Services.

4. All parcels are being offered "as is" and "where is" without recourse against the department. It is the responsibility of the bidder to inspect the property conditions before submitting a bid and without trespassing on the property in any manner.

5. The department makes no guarantee or warranty, express or implied, as to the validity of the title, quality, weight, size, or condition of the property or its fitness for any use or purpose.

6. No claim will be considered for allowance, adjustment, or rescission of the sale based upon failure to conform to any representation, express or implied.

7. The minimum bid amount will be determined by the department after evaluation of the equity in the property and the amount due on the final assessment(s).

8. A bid deposit of 10 percent of the total amount of the bid must be submitted in certified funds or online as a direct debit payment.

9. Within 30 days of notification of acceptance of the bid, the remaining bid price must be paid in full.

10. The deposit of the bidder to whom the award is made will be held in escrow until sale of the property is complete; if that bidder refuses at any time to complete the sale, the deposit will be forfeited to the department and the property offered to the next highest bidder.

11. The department shall convey the property by issuing a deed to the highest bidder after receipt of full payment of the bid amount.

12. All bidders must be at least 18 years of age at time of submitting the bid.

13. All contact information on the bid form must be filled out completely.

(e) Advertising the Invitation for Bids - The department will advertise the property in a newspaper of general circulation or a similar type publication in the county where the property is located, once a week for three successive weeks prior to the sale as prescribed in § 40-29-23(b), Code of Ala.1975.

(f) Submission of Bids - Bidders must submit sealed bids before the closing date and time stated in the Invitation for Bids Notice. Bids will not be accepted after the advertised deadline for any reason.

(g) Payment of Deposit Bid - The bid deposit of 10 percent of the total amount of the bid must be submitted before the closing date and time in order for the bid to be considered complete.

(h) Opening of Bids - The bids will be publicly opened by the department at a predetermined time and place specified in the Invitation for Bids Notice.

(i) Evaluation and Comparison of Bids - After all sealed bids have been opened in the department and viewed by the Director of the Collection Services Division, all bids will be sorted from the highest bid to the lowest bid for evaluation and comparison.

(j) Selection of the Highest Bid - After all bids have been evaluated from the highest to the lowest bid, the highest bidder will be selected and awarded the property. In the event two or more highest bids are equal in amount, the highest bidder will be determined by the department by either comparing the earliest submission time and date of the online bid or by drawing lots. The process of drawing lots will be left to the discretion of the Director of the Collection Services Division.

(k) Award of Contract to Highest Bidder - An award notice will be sent to the selected highest bidder giving the highest bidder 30 days to pay the remaining bid amount. The remaining bid amount must be submitted in certified funds to complete the sale.

(l) Notification to Unsuccessful Bidders - The department will notify each unsuccessful bidder after award of bid, and the deposit bid amount shall be returned to each unsuccessful bidder within a reasonable period determined by the department.

(m) Application of Proceeds from Sale - Any proceeds from the sale of the property and the amount paid by the successful bidder will be credited or applied as provided in §40-29-33, Code of Ala. 1975.

(n) Preparation of Deed - Upon payment in full of the total bid amount, the department shall prepare a deed for the successful bidder transferring the right, title, and interest of the department as provided in §40-29-29, Code of Ala. 1975. The department will also record the deed in the probate office of the county in which the property is located.

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Authority: §§ 40-2A-7(a)(5), 40-2-11(16), 40-29-23, 40-29-26, 40-29-28, 40-29-29, 40-29-33, 40-29-34, Code of Ala. 1975.

History: New rule: Filed January 11, 2019; effective February 25, 2019.