

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST
OF THE LEGISLATIVE COUNCIL

2

HOUSE BILL NO. 13

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act providing for a uniform method of
7 delinquent real property tax and special
8 assessment foreclosure by general law and
9 home rule boroughs and cities; and providing
10 for an effective date."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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* Section 1. AS 7 is amended by adding a new chapter to read:

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CHAPTER 17. COLLECTION OF DELINQUENT REAL PROPERTY TAXES

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ARTICLE 1. COLLECTION ENFORCEMENT.

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Sec. 07.17.010. ENFORCEMENT BY BOROUGH. (a) On as-

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sumption of the areawide power of tax assessment and collec-
17 tion, the first or second class borough shall enforce collec-
18 tion of all delinquent tax liens accruing to the borough and
19 to each city in the borough, including liens accruing but not
20 enforced before the time the borough assumes the power as well
21 as liens accruing thereafter.

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(b) A city in the borough may not enforce collection of

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delinquent tax liens after the borough assumes the areawide
24 power of tax assessment and collection.

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Sec. 07.17.020. MANDATORY ENFORCEMENT DUTY. (a) The

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borough tax collector has a mandatory duty to enforce de-

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linquent tax liens by sale of the property to which a lien

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attaches as provided in this chapter. Failure of the col-

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lector to enforce a lien shall not impair the lien or prevent

1 its enforcement after the time provided by law.

2 (b) The collector in his discretion may omit from sale
3 property on which the total amount of delinquent tax liens
4 does not exceed \$20. However, the collector shall not omit
5 such property from sale for longer than the sale occurring in
6 the third of the three consecutive fiscal years during which
7 the liens were a charge upon the property.

8 Sec. 07.17.030. VOLUNTARY CONVEYANCE FOR TAXES. (a)
9 The owner of a tract subject to a delinquent tax lien may
10 transfer his title or interest in the property to the borough,
11 provided the borough assembly consents in writing to the
12 transfer. Transfer is in consideration of \$1 and the cancel-
13 lation of liability for current and delinquent tax liens on
14 the property.

15 (b) A voluntary conveyance of property located in a
16 city shall vest title in the borough as prescribed in sec.
17 410 of this chapter for a conveyance directed by a fore-
18 closure judgment under this chapter.

19 Sec. 07.17.040. DISTRIBUTION OF PAYMENTS. The col-
20 lector shall distribute delinquent tax lien payments made
21 under this chapter in the same manner as he is required to
22 distribute other tax lien payments collected by him. Costs
23 and fees authorized by this chapter shall be credited to the
24 borough account for delinquent tax collections.

25 Sec. 07.17.050. COMPROMISE OF TAXES. (a) If it
26 appears to the borough assembly that a tract bears a full and
27 true value which is less than the total amount of delinquent
28 tax liens on the property, the assembly at any time may com-
29 promise the liens with the owner. Upon payment to the

1 collector of the amount agreed upon, he shall issue a certi-
2 ficate of redemption releasing the tract from each delinquent
3 tax lien.

4 (b) The collector shall distribute the amount paid
5 under (a) of this section in the proportion the amount bears
6 to the total amount of delinquent tax liens on the property
7 released.

8 Sec. 07.17.060. PUBLIC CORPORATION MAY PRESERVE ITS
9 LIENS. A public corporation which has a lien on real property
10 included in a tax foreclosure list may remove the property
11 from the list in the same manner as the owner of the property.
12 The corporation may add to its lien the amount expended in
13 removing the property and on foreclosure of its lien may re-
14 cover the amount with interest.

15 ARTICLE 2. COLLECTION BY PERSONAL ACTION.

16 Sec. 07.17.080. PERSONAL ACTION. (a) The collector
17 may enforce collection of delinquent real property taxes,
18 together with penalties, interest and costs of collection, by
19 instituting a personal action as for a debt in the superior
20 court. A personal action shall not be brought with respect
21 to delinquencies incurred longer than five years before the
22 bringing of the action.

23 (b) The action shall be brought in the name of the
24 borough against the owner of the property or an interest in
25 the property. Delinquencies for one or more years incurred
26 by the owner of one or more tracts in the borough may be
27 included in a single action.

28 ARTICLE 3. COLLECTION BY SALE OF REAL PROPERTY.

29 Sec. 07.17.100. FORECLOSURE LIST. (a) On the 60th day

1 after the close of the borough fiscal year, the collector
2 shall compile a list of real property on which tax liens are
3 delinquent. The list shall be known as the "tax foreclosure
4 list" and shall include tax-delinquent property for the im-
5 mediately preceding fiscal year as well as property against
6 which delinquent tax liens may not have been enforced in a
7 prior fiscal year.

8 (b) The foreclosure list shall be prepared on a form
9 prescribed by the state assessor and shall show

10 (1) the name of the property owner as it appears
11 on the latest tax roll or "Unknown" if no name appears,

12 (2) a description of each property as it appears
13 on the latest tax roll,

14 (3) the year or years for which tax liens are de-
15 linquent,

16 (4) the amount of delinquent liens for each year,
17 separately stated by borough and city.

18 (c) The collector shall certify the correctness of the
19 list and file the original with the borough clerk for public
20 inspection.

21 (d) Failure to include liens becoming delinquent during
22 a fiscal year does not invalidate a sale for liens becoming
23 delinquent during another fiscal year or years.

24 (e) Failure to return the foreclosure list properly does
25 not invalidate any proceeding under this chapter.

26 Sec. 07.17.110. NOTICE OF SALE. The collector shall in-
27 corporate in the foreclosure list a notice, in a form pre-
28 scribed by the state assessor, stating that real property on
29 the list will be sold at public auction for delinquent tax

1 liens and giving the time and place of sale. The notice
2 shall state also that the property to be sold will be re-
3 moved from the list and sale on payment of the amount of de-
4 linquent real property taxes due, together with interest,
5 penalties and costs of publication of the foreclosure list and
6 notice of sale apportioned according to the number of proper-
7 ties on the list. The collector may in his discretion in-
8 clude additional information in the notice of sale.

9 Sec. 07.17.120. PUBLICATION. (a) The collector shall
10 have the foreclosure list and notice of sale published in a
11 newspaper designated by him having general circulation in the
12 borough. The list and notice shall be published once in the
13 first and once in the last of the four calendar weeks pre-
14 ceding the calendar week containing the day on which the
15 sale will be held.

16 (b) The collector shall have the list and notice posted
17 in each post office within the borough and in at least three
18 other public places for at least 30 consecutive days preced-
19 ing the day on which the sale will be held.

20 (c) If there is no newspaper having general circulation
21 in the borough, notice by posting as provided in (b) of this
22 section is sufficient.

23 Sec. 07.17.130. INDIVIDUAL MAILING. (a) If the name
24 and address of the owner of property on the foreclosure list
25 is known, the collector shall mail him a copy of the list and
26 notice of sale prepaid.

27 (b) A mortgagee of real property or a person having a
28 lien, claim or other interest affecting real property may
29 file with the collector a notice stating his name, residence,

1 mailing address, the date of the notice, and a description of
2 the property in which he has an interest. The notice shall
3 continue in effect for five years, unless sooner discontinued
4 by request of the person giving notice. During that time the
5 collector shall mail prepaid to each person giving notice a
6 copy of each foreclosure list and notice of sale published.

7 (c) Failure to mail the list or notice as prescribed in
8 (a) or (b) of this section shall not invalidate any proceed-
9 ing under this chapter.

10 Sec. 07.17.140. PAYMENT BEFORE SALE. At any time be-
11 fore sale the collector shall receive payment of the amount of
12 delinquent tax liens on a property to be sold. The collector
13 shall note payment on the original of both the foreclosure
14 list and notice of sale.

15 Sec. 07.17.150. SALE. (a) The sale shall be held on
16 the day and at the place stated in the notice of sale. If the
17 sale cannot be completed on that day the collector shall con-
18 tinue it from day to day, Sundays and holidays excluded, until
19 all the property on the foreclosure list is sold. The sale
20 shall begin on each day at 10 a.m. and shall continue until
21 4 p.m. unless sooner completed.

22 (b) If for any reason the sale cannot be held on the day
23 or at the place stated in the notice of sale, the sale shall
24 be held on a subsequent day and at a place to be set by the
25 collector, allowing sufficient time for publication and post-
26 ing of the foreclosure list and notice of sale as required
27 for the sale initially scheduled.

28 Sec. 07.17.160. AMOUNT OF SALE. (a) The collector
29 shall sell property on the foreclosure list at public auction

1 for the amount of delinquent tax liens. Sale shall be to
2 whoever will purchase the property for the amount due and in
3 addition offers to accept the lowest rate of interest upon
4 the amount paid for redemption of the property. The in-
5 terest shall not exceed 12 per cent a year on the amount paid

6 Sec. 07.17.170. PURCHASE BY MUNICIPALITY. A borough or
7 city, including the borough holding the sale, may purchase at
8 the sale in the same manner as any other purchaser, provided
9 its governing body determines by resolution adopted before
10 the sale that the particular property to be bid upon would be
11 useful for a public purpose.

12 Sec. 07.17.180. PROCEDURE FOR SALE. (a) If there is
13 no bid for a particular tract offered at the sale, the col-
14 lector shall pass it for the time and reoffer it when all
15 other tracts have been sold or offered for sale, until he be-
16 comes satisfied that no more sales can be made.

17 (b) The collector shall strike off and sell to the
18 borough for redemption at 10 per cent a year any tract for
19 which there is no other purchaser. The borough shall have
20 the same rights and remedies with respect to the property as
21 other purchasers, including the right to foreclose the right
22 of redemption.

23 Sec. 07.17.190. CERTIFICATE OF SALE. Immediately after
24 the sale, the collector shall make, execute and deliver a
25 certificate of sale to each purchaser at the sale and shall
26 collect from the purchaser a fee of \$1 for each certificate.
27 The certificate shall be on a form prepared by the state
28 assessor and shall include

29 (1) a description of the property sold as it

1 appears on the latest tax roll,

2 (2) the name of the owner of the property as it
3 appears on the latest tax roll,

4 (3) the name of the purchaser of the property,

5 (4) the fact and date of sale,

6 (5) the amount of delinquent tax liens for which
7 the property was sold, separately stated by borough and city,

8 (6) the date to which liens are included,

9 (7) the rate of redemption,

10 (8) the date on which the right to redeem expires.

11 Sec. 07.17.200. SALE RECORDS. (a) The collector shall
12 keep a correct record of all tax sales in a durable book to
13 be known as the "record of tax sales". The record shall show
14 for each property sold the

15 (1) date of sale,

16 (2) description of the property,

17 (3) name of the owner,

18 (4) name of the purchaser,

19 (5) total amount for which the property was sold,

20 (6) amount of subsequent tax liens paid by the
21 holder of the certificate of sale,

22 (7) name of the assignee and date of assignment of
23 certificate of sale assigned by the collector,

24 (8) name of the person redeeming the property and
25 date of redemption,

26 (9) total amount paid for redemption,

27 (10) name of the grantee of the property and the
28 date of deed.

29 (b) The collector shall certify a true copy of the

1 completed record for each property to the office of the
2 recorder of the recording district in which the property
3 is located. The recorder shall compile the copies as a
4 completed record of tax sales for the district.

5 (c) The collector shall note on the foreclosure list,
6 opposite the description of the property sold, the fact and
7 date of sale and shall file a copy of the list as notated with
8 the borough clerk.

9 Sec. 07.17.210. REPORT OF SALE. Within 10 days after
10 the sale, the collector shall report the action taken to the
11 borough assembly and to the governing body of each city in
12 the borough whose tax liens were enforced at the sale.

13 Sec. 07.17.220. SUBSEQUENT LIENS ON PROPERTY SOLD. (a)
14 All tax liens attaching to property subsequent to those for
15 which the property was sold must be paid before redemption.

16 (b) If the certificate of sale is held by the borough,
17 subsequent tax liens shall be levied against the property in
18 the name of the owner as though there had been no sale, until
19 the right of redemption is barred.

20 (c) The holder of a certificate of sale may pay tax
21 liens which accrue on the property sold subsequent to the sale
22 by presenting the certificate with payment to the collector.
23 The collector shall receive payment and endorse on the
24 certificate the amount paid and date of payment.

25 Sec. 07.17.230. POSSESSION OF PROPERTY SOLD. (a) The
26 right to possession of property described in the certificate
27 of sale remains in the former owner of the property until
28 the right of redemption is barred as prescribed in this
29 chapter.

1 (b) Waste committed by the former owner or by one
2 acting under his permission or control works an immediate
3 forfeiture of the right to possession.

4 Sec. 07.17.240. FURTHER SALE OF PROPERTY SOLD TO
5 BOROUGH. After the public sale the borough assembly may by
6 resolution authorize a further sale of property struck
7 off to the borough at the public sale. Sale shall be for not
8 less than the amount stated in the certificate of sale
9 and subsequent tax liens attaching to the property
10 sold.

11 Sec. 07.17.250. RECORDING CERTIFICATE OF SALE. (a) A
12 purchaser at the sale may record the certificate of sale as
13 a conveyance in the office of the recorder of the recording
14 district in which the property described in the certificate
15 is located.

16 (b) When a certificate of sale is not made to the
17 borough, it is, unless recorded within three months of the
18 date of sale, void as against a bona fide purchaser, lessee
19 or mortgagee whose deed, lease or mortgage is recorded
20 before the recording of the certificate.

21 (c) A certificate of sale made to the borough is valid
22 against subsequent purchasers, lessees or mortgagees
23 regardless of whether or not it is recorded.

24 Sec. 07.17.260. ASSIGNING CERTIFICATE OF SALE. (a)
25 The certificate of sale may be assigned by endorsement. An
26 assignment may be recorded as provided in sec. 250 of this
27 chapter and, if recorded, vests in the assignee all the
28 right, title and interest of the original purchaser.

29 (b) The collector shall assign the certificate of sale

1 on property held by the borough to a person who pays to the
2 collector the amount due under the certificate together with
3 the amount of subsequent tax liens attaching to the
4 property.

5 Sec. 07.17.270. DUPLICATE CERTIFICATE OF SALE. (a)
6 Upon presentation to the borough assembly of satisfactory
7 proof of the loss or destruction of a certificate of sale,
8 the assembly may by resolution direct the collector to make
9 and execute a new certificate in place of the one lost or
10 destroyed. The new certificate shall contain a statement
11 that it is a duplicate of the original certificate and issued
12 because of the loss or destruction of the original.

13 (b) A duplicate certificate of sale is effectual as
14 though it were the original.

15 Sec. 07.17.280. CERTIFICATE OF SALE AS EVIDENCE. The
16 certificate of sale shall be prima facie evidence in all
17 courts of the

18 (1) truth of the facts stated in it,
19 (2) title of the purchaser to the property
20 described,

21 (3) regularity and validity of the sale and all
22 prior proceedings relating to the tax liens for which the
23 property was sold.

24 ARTICLE 4. REDEMPTION FROM SALE.

25 Sec. 07.17.300. RIGHT OF REDEMPTION. The former owner,
26 a mortgagee, occupant or other person having an interest in
27 property sold for delinquent tax liens may redeem it at any
28 time within one year from the date of sale or at any time
29 thereafter until the right to redeem has been foreclosed.

1 Redemption is made by paying the amount required to redeem to
2 the collector for the use of the holder of the certificate of
3 sale or his successors in interest.

4 Sec. 07.17.310. PARTIAL REDEMPTION OF PROPERTY. A per-
5 son owning a portion less than the whole in tax-delinquent
6 property may redeem his interest by paying the proportionate
7 part of the whole amount due. The collector shall issue a
8 certificate of redemption for the proportion in the manner
9 provided in sec. 340 of this chapter.

10 Sec. 07.17.320. AMOUNT REQUIRED TO REDEEM. The amount
11 required to redeem shall be

12 (1) the amount stated in the certificate of sale,
13 with interest from the date of sale to the date of redemption,
14 at the rate of redemption for which the property was sold;

15 (2) subsequent liens as provided in sec. 220 of
16 this chapter, and

17 (3) statutory fees paid by a holder other than the
18 borough in connection with the certificate, provided the
19 holder files with the collector an affidavit showing the
20 amount of the fees paid.

21 Sec. 07.17.330. REDEMPTION IN INSTALLMENTS. If the
22 certificate of sale is held by the borough, the collector may,
23 with the approval of the borough assembly, enter into an
24 agreement for the redemption of the property in substantially
25 equal installments. Installments shall be in amounts at least
26 sufficient to redeem the property within five years. After
27 the payment of the first installment, the borough shall not
28 assign the certificate of sale or take any action to fore-
29 close the right of redemption, so long as the installments

1 are paid when due and no default exists in the payment of tax
2 liens accruing subsequent to the date of the execution of the
3 agreement.

4 Sec. 07.17.340. ISSUANCE OF CERTIFICATE OF REDEMPTION.

5 (a) Upon payment of the amount required to redeem by a per-
6 son having the right to redeem, the collector shall issue to
7 the person a certificate of redemption on a form prepared by
8 the state assessor. The certificate shall include the

9 (1) description of the property redeemed,

10 (2) date of redemption,

11 (3) amount paid to redeem,

12 (4) name of the person redeeming the property.

13 (b) For each certificate of redemption issued, the
14 collector shall charge a fee of \$1. After issuing the
15 certificate, the collector shall make the appropriate entries
16 in the record of tax sales in his office.

17 Sec. 07.17.350. RECORDING CERTIFICATE OF REDEMPTION.

18 The holder of a certificate of redemption may record the
19 certificate as a conveyance in the office of the recorder for
20 the district in which the property redeemed is located.

21 Sec. 07.17.360. PAYMENT OF REDEMPTION MONEY TO CERTIFI-
22 CATE OF SALE HOLDER. (a) The collector shall pay redemption
23 money held by him to the person entitled to it upon demand
24 and upon surrender of the certificate of sale for the
25 property redeemed.

26 (b) If only a portion of the property described in the
27 certificate has been redeemed, the collector shall endorse on
28 the certificate the portion redeemed and the amount of money
29 paid to the person holding the certificate, and the collector

1 shall take a receipt for the amount paid.

2 Sec. 07.17.370. REDEMPTION IN CASE OF VACATED JUDGMENT.

3 (a) If a judgment of foreclosure given under this chapter is
4 set aside on grounds other than fraud, the amount required to
5 redeem shall be

6 (1) the amount required by sec. 320 of this
7 chapter, and

8 (2) the value of all improvements made on the
9 property by the purchaser and his successors in interest,
10 minus any net income derived from the use of the property.

11 (b) In the computation of net income under (a) of this
12 section, the value of improvements shall not be deducted from
13 gross income except to the extent of the excess of the
14 original cost of the improvements over their value at the date
15 the judgment is set aside.

16 ARTICLE 5. FORECLOSURE GENERALLY.

17 Sec. 07.17.390. PRIORITY. Foreclosure proceedings under
18 this chapter shall be given priority over all other civil
19 proceedings.

20 Sec. 07.17.400. EFFECT OF ERRORS OR OMISSIONS. An error
21 or omission in any of the requirements of law for the assess-
22 ment, levy and collection of real property taxes, including
23 the requirements of this chapter, shall not be a defense or
24 objection to foreclosure under this chapter unless substantial
25 rights of the answering defendant have been prejudiced by the
26 error or omission. The court in its discretion may correct
27 errors or omissions to conform to law.

28 Sec. 07.17.410. CITY PROPERTY STRUCK OFF TO BOROUGH.

29 In the case of property located in a city and struck off to

1 the borough at the public sale directed by this chapter:

2 (1) If the borough does not proceed to enforce
3 its right of foreclosure within three years of the sale, the
4 borough shall pay to the city the amount of the tax liens
5 owing to the city as stated in the certificate of sale.

6 (2) A judgment under this chapter directing a
7 conveyance of the property to the borough shall direct that
8 title be vested in the borough for the benefit of the borough
9 and city according to the respective interest of each pro-
10 portionate to the tax liens foreclosed.

11 (3) A borough and city may by agreement vary the
12 provisions of (1) or (2) of this section. A judgment under
13 (2) of this section shall vest title according to the terms
14 of the agreement.

15 Sec. 07.17.420. PAYMENT OF SUBSEQUENT LIENS REQUIRED.
16 Except in an action in which the borough is plaintiff, no
17 judgment may be granted foreclosing the right of redemption,
18 unless all tax liens on the property accruing subsequent to
19 those for which the property was sold have been discharged.

20 Sec. 07.17.430. REDEMPTION DURING FORECLOSURE ACTION.
21 If redemption is made during the pendency of the action to
22 foreclose by a defendant in the action, judgment shall be
23 entered in favor of the plaintiff against the person for the
24 costs incurred by the plaintiff, together with a reasonable
25 attorney fee to be determined by the court.

26 ARTICLE 6. FORECLOSURE BY PROCEEDINGS IN PERSONAM.

27 Sec. 07.17.450. ACTION TO FORECLOSE RIGHT OF REDEMPTION.

28 (a) The borough, or other holder of a certificate of sale or
29 his successors in interest, in addition to other remedies

1 provided by law, may bring an action to foreclose the right
2 of redemption in the property sold

3 (1) at any time after the expiration of one year
4 from the date of sale, whether notice to redeem has been
5 given or not, or

6 (2) upon default in the payment of a tax lien
7 attaching to the property subsequent to the sale.

8 (b) The right to redeem shall continue until barred by
9 the court.

10 Sec. 07.17.460. ONE ACTION TO FORECLOSE SEVERAL PARCELS.
11 A single holder of certificates of sale covering several
12 parcels of property in the same borough may foreclose the
13 right of redemption in any number of the parcels in a single
14 action, regardless of their ownership.

15 Sec. 07.17.470. JURISDICTION. (a) The foreclosure
16 action shall be brought in the superior court of the judicial
17 district in which the property described in the certificate
18 of sale is located. The court shall have the same juris-
19 diction as in the case of mortgage foreclosures. Its final
20 judgment of foreclosure shall foreclose the right of the
21 defendant to redeem from the public sale and shall command
22 the clerk of the court to prepare, execute and deliver to the
23 holder of the certificate of sale, his heirs or assigns, a
24 deed conveying the property described in fee simple, free of
25 all encumbrances except tax and other borough or city liens
26 accruing subsequent to those for which the property was sold.

27 (b) After entry of final judgment, the parties whose
28 rights to redeem are foreclosed by the judgment shall have
29 no further right, title, or interest in the property, subject

1 to the right of appeal and stay of execution as in other civil
2 actions.

3 (c) No application shall be entertained to reopen a
4 final judgment after three months from its date except on the
5 ground of lack of jurisdiction or fraud in the conduct of the
6 action.

7 ARTICLE 7. FORECLOSURE BY IN REM PROCEEDINGS.

8 Sec. 07.17.490. IN REM FORECLOSURE OF CERTAIN CERTIFI-
9 CATES. The borough shall foreclose certificates of sale held
10 by it by summary proceedings in rem as prescribed in the
11 following sections whenever

12 (1) one year or more has expired from the date of
13 the tax sale from which the certificate issued, and

14 (2) no part of a tax lien on the parcel sold,
15 whether accruing before or after the sale, has been paid for
16 at least three years from the date on which the earliest
17 lien attached.

18 Sec. 07.17.500. IN REM TAX FORECLOSURE LIST. To com-
19 mence foreclosure by proceedings in rem, the collector shall
20 prepare and certify a list of the property against which the
21 proceedings are to be instituted. The list, to be known as
22 the "in rem tax foreclosure list", shall include for each
23 parcel listed the

24 (1) name of the last-known owner of the property
25 as it appears on the latest tax roll, or "Unknown" if no name
26 appears,

27 (2) description of the property as it appears on
28 the latest tax roll,

29 (3) year or years for which tax liens are

1 delinquent,

2 (4) amount of delinquent tax liens for each
3 year, separately stated by borough and city,

4 (5) amount of subsequent tax liens on the property,

5 (6) rate of interest required to redeem the
6 property,

7 (7) total amount required to redeem the property,

8 (8) date of the sale from which the certificate of
9 sale issued,

10 (9) identification of the certificate of sale by
11 reference to page or number of its listing in the collector's
12 record of tax sales,

13 (10) explanatory notice of the foreclosure pro-
14 ceedings, to be given in a form prescribed by the state
15 assessor.

16 Sec. 07.17.510. COMPLAINT AND NOTICE. (a) Immediately
17 after preparation of the in rem tax foreclosure list, the
18 collector shall

19 (1) present a certified copy of the in rem tax
20 foreclosure list to the superior court in the judicial dis-
21 trict in which the property described in the list is located,
22 together with a complaint praying for judgment and decree
23 foreclosing the right of redemption in the property;

24 (2) file a certified copy of the list in the
25 office of the recorder of the recording district in which
26 each property described in the list is located;

27 (3) mail, by certified mail return receipt
28 requested, a copy of the list and complaint to the last-known
29 owner of the property as his name and address appear on the

1 list;

2 (4) post a copy of the list in the post office
3 nearest to each property described or, alternatively, upon
4 the property itself, whichever the collector determines is
5 best calculated to provide actual notice to the property
6 owner;

7 (5) publish the list once each week for six
8 successive weeks in a newspaper of general circulation in the
9 borough, if such newspaper is published;

10 (6) post a certified copy of the list in his
11 office.

12 (b) Completion of the requirements of (a)(1) - (a)(4)
13 of this section constitutes and has the same force and effect
14 as

15 (1) the filing of an individual and separate
16 complaint by the borough and service of summons to fore-
17 close a lien against each parcel of property described in
18 the list, and

19 (2) the filing of an individual and separate
20 notice of lis pendens with the recorder of each recording
21 district in which the property described is located.

22 Sec. 07.17.520. REDEMPTION OR ANSWER. (a) A person
23 who has a right, title or interest in or lien upon real
24 property described in the in rem tax foreclosure list may
25 either redeem the property or file an answer to the com-
26 plaint for judgment and decree of foreclosure against the
27 property.

28 (b) Redemption is made by paying the total amount to
29 redeem shown in the list within 60 days from the date of

1 filing of the list and complaint in the superior court. Upon
2 redemption the collector shall issue a certificate of re-
3 demption as prescribed in sec. 340 of this chapter and shall
4 file a certified copy of the certificate with the clerk of
5 the superior court in which the proceeding against the pro-
6 perty redeemed is pending. Upon the filing of the certified
7 copy, the clerk shall note the word "redeemed" and the date
8 of filing opposite the description of the property redeemed
9 on the list. The filing of the certified copy of the certi-
10 ficate of redemption with the clerk operates to cancel the
11 foreclosure proceedings against the property redeemed.

12 (c) An answer to the complaint must be served upon the
13 collector and filed with the clerk of the superior court with-
14 in 20 days after the last day for redemption and shall set out
15 in detail the nature and amount of the answering party's
16 interests in the property and his defense or objections to
17 foreclosure of the right of redemption in the property. The
18 caption of the answer shall make reference to the identifica-
19 tion of the certificate of sale of the property as shown by
20 book or number in the collector's record of tax sales.

21 (d) If a person fails to redeem or answer, the person
22 is in default and is barred from all his right, title and
23 interest in the property described in the in rem foreclosure
24 list, and a judgment may be taken against the property as
25 prescribed in secs. 530 - 570 of this chapter.

26 Sec. 07.17.530. AFFIDAVITS IN FORECLOSURE ACTION. Affi-
27 davits of filing, publication, posting, mailing or other acts
28 required by this chapter in connection with an in rem fore-
29 closure proceeding shall be filed with the clerk of the

1 filing of the list and complaint in the superior court. Upon
2 redemption the collector shall issue a certificate of re-
3 demption as prescribed in sec. 340 of this chapter and shall
4 file a certified copy of the certificate with the clerk of
5 the superior court in which the proceeding against the pro-
6 perty redeemed is pending. Upon the filing of the certified
7 copy, the clerk shall note the word "redeemed" and the date
8 of filing opposite the description of the property redeemed
9 on the list. The filing of the certified copy of the certi-
10 ficate of redemption with the clerk operates to cancel the
11 foreclosure proceedings against the property redeemed.

12 (c) An answer to the complaint must be served upon the
13 collector and filed with the clerk of the superior court with-
14 in 20 days after the last day for redemption and shall set out
15 in detail the nature and amount of the answering party's
16 interests in the property and his defense or objections to
17 foreclosure of the right of redemption in the property. The
18 caption of the answer shall make reference to the identifica-
19 tion of the certificate of sale of the property as shown by
20 book or number in the collector's record of tax sales.

21 (d) If a person fails to redeem or answer, the person
22 is in default and is barred from all his right, title and
23 interest in the property described in the in rem foreclosure
24 list, and a judgment may be taken against the property as
25 prescribed in secs. 530 - 570 of this chapter.

26 Sec. 07.17.530. AFFIDAVITS IN FORECLOSURE ACTION. Affi-
27 davits of filing, publication, posting, mailing or other acts
28 required by this chapter in connection with an in rem fore-
29 closure proceeding shall be filed with the clerk of the

1 superior court in the judicial district in which each pro-
2 perty on the in rem tax foreclosure list is respectively
3 situated and shall, together with all other documents re-
4 quired by this chapter to be filed with the clerk, constitute
5 a part of the judgment roll in the foreclosure proceeding.

6 Sec. 07.17.540. BURDEN OF PROOF. (a) It shall not be
7 necessary for the borough to plead or prove the various steps,
8 procedures and notices for the assessment and levy of the
9 taxes, assessments or other lawful charges against the pro-
10 perty described in the in rem tax foreclosure list. The
11 charges and the lien of them shall be presumed valid.

12 (b) A defendant alleging an irregularity in a lien, or
13 the sale to enforce the lien, must particularly specify in
14 his answer the irregularity and must affirmatively establish
15 the defense.

16 Sec. 07.17.550. ANSWER. (a) If a verified answer is
17 served upon the collector within the period specified in sec.
18 520(c) of this chapter, the court shall immediately hear and
19 determine the issues raised by the complaint and answer in the
20 same manner and under the same rules as it hears and deter-
21 mines other actions, except as provided otherwise in this
22 chapter.

23 (b) Proof that the property was not subject to tax, or
24 that the liens on the property were paid, constitutes a
25 complete defense.

26 (c) When an answer is filed as provided in this section,
27 the defendant has an absolute right to the severance of the
28 action as to any parcel in which he has an interest, upon
29 written demand filed with or made a part of his answer and

1 upon payment to the court of the fees and costs as in the
2 case of the commencement of a new action.

3 Sec. 07.17.560. POWERS AND DUTIES OF THE COURT. (a)
4 The court may determine and enforce the priorities, rights,
5 claims and demands of the parties to the action as they exist
6 according to law, including those of the defendant as between
7 themselves.

8 (b) In a proper case the court may direct a sale of the
9 property and the distribution or other disposition of the
10 proceeds of the sale.

11 (c) The court shall determine and make findings upon
12 proof whether there has been substantial compliance by the
13 borough with the provisions of secs. 490 - 510 of this
14 chapter.

15 (d) In directing any conveyance the final judgment shall
16 direct the clerk of the court to prepare, execute and have
17 recorded in the office of the recording district in which the
18 parcel concerned is located a deed conveying title to the
19 parcel. Title shall be full and complete, except as provided
20 otherwise by an agreement between the borough and a city as
21 authorized in sec. 410 of this chapter, and, in the case of a
22 grantee other than the borough or a city, except for tax or
23 other borough or city liens attaching to the property subse-
24 quent to those for which it was sold.

25 (e) The court shall make a final judgment awarding to
26 the grantee possession of a parcel shown in the in rem tax
27 foreclosure list when no answer is filed and the parcel is
28 not redeemed, in addition to directing a conveyance under (d)
29 of this section.

1 Sec. 07.17.570. EFFECT OF DEED. (a) Upon execution of
2 the deed prescribed in sec. 560(d) of this chapter, the
3 grantee is seized of an estate in fee simple in the parcel
4 conveyed, and the state and all persons, including infants,
5 incompetents, absentees and nonresidents, who may have had a
6 right, title, interest, claim, lien or equity of redemption
7 are barred and forever foreclosed of the right, title, interest,
8 claim, lien or equity of redemption, except for easements,
9 servitudes and restrictions imposed by covenant.

10 (b) The deed shall be prima facie evidence of the
11 validity of the in rem tax foreclosure proceedings and all
12 prior proceedings, steps and notices affecting the assessment,
13 levy and collection of the taxes or other lawful charges on
14 the parcel concerned. After three years from the date of the
15 deed, the resumption shall be conclusive.

16 ARTICLE 7. GENERAL PROVISIONS.

17 Sec. 07.17.590. DEFINITIONS. In this chapter

18 (1) "borough" means the borough enforcing col-
19 lection of delinquent tax liens under this chapter;

20 (2) "delinquent tax liens" means all due and
21 unpaid liens of real property taxes, together with liens of
22 accrued interest, penalties and costs of publication and fore-
23 closure by the borough under this chapter;

24 (3) "collector" means the borough tax collector
25 or other officer charged with the collection of real property
26 taxes.

27 Sec. 07.17.600. SHORT TITLE. This chapter may be cited
28 as the Delinquent Tax Foreclosure Law.

29 * Sec. 2. AS 29.10.345 is amended to read:

1 Sec. 29.10.345. ✓ LIEN FOR TAXES. General taxes levied by
2 the council, together with interest, penalties and costs of
3 publication and foreclosure by the city for delinquent taxes,
4 are a lien upon the property assessed, and the lien is prior
5 and paramount to all other liens or encumbrances against the
6 property assessed.

7 * Sec. 3. AS 34.25.080(a) is amended to read:

8 (a) In the case of a tax deed dated before the effective
9 date of this act, a [A] sale of real property is valid and
10 sufficient in law to sustain a tax deed based on the sale when

11 (1) the sale is heretofore or hereafter made in
12 the state in a proceeding to enforce a tax lien against real
13 property;

14 (2) the money bid on the property is paid to the
15 clerk of the city conducting the sale, or to his successor,
16 in good faith; and

17 (3) the sale is confirmed or acquiesced in by the
18 court ordering the sale.

19 * Sec. 4. AS 34.25.080(d) is amended to read:

20 (d) All defects or irregularities in the delinquent tax
21 roll, notices, presentations of delinquent tax roll to a court,
22 proofs of notice, orders of sale, confirmation of sale or
23 other proceedings before or in connection with the sale, in
24 obtaining the order of the court for the sale, or in the mak-
25 ing or conducting of the sale by the clerk of the city, or by
26 another person authorized to make or conduct the sale, the lack
27 of an order confirming the sale, and the lack of, or failure
28 to issue, a certificate of sale and purchase, shall be dis-
29 regarded if no suit is filed in a court of record in the

1 judicial district in which the real property affected by the
2 deed is located within 10 years from the date of the deed or
3 three years from the effective date of this act, whichever
4 date is earlier, to have the deed set aside, altered or other-
5 wise changed, or reformed.

6 * Sec. 5. AS 34.15.340[✓](a) is amended by adding new subdivisions
7 to read:

8 (6) a certificate of sale issued under AS 07.17;

9 (7) a certificate of redemption issued under

10 AS 07.17.

11 * Sec. 6. AS 29.10 is amended by adding a new section to read:

12 Sec. 29.10.455[✓]. COLLECTION OF DELINQUENT REAL PROPERTY
13 TAX LIENS. (a) The council of a city not in an organized
14 borough which has assumed the areawide power of tax assess-
15 ment and collection shall enforce collection of delinquent
16 tax liens on real property.

17 (b) Enforcement under (a) of this section shall be as
18 prescribed for boroughs in AS 07.17.

19 (c) A city in an organized borough may not enforce col-
20 lection of delinquent real property tax liens after the
21 borough assumes the areawide power of tax assessment and col-
22 lection.

23 * Sec. 7. AS 29.10.540[✓] is repealed and re-enacted to read:

24 Sec. 29.10.540. ENFORCEMENT OF DELINQUENT SPECIAL
25 ASSESSMENTS. (a) The council shall enforce the collection of
26 the liens of delinquent special assessments levied by the city
27 in the absence of agreement between the borough and city for
28 borough enforcement of the liens.

29 (b) Enforcement under (a) of this section shall be as

1 prescribed for boroughs in AS 07.17. Both the liens of
2 delinquent special assessments and delinquent real property
3 taxes may be included in the same foreclosure list but must
4 be set out separately.

5 * Sec. 8. AS 29.08 is amended by adding a new section to read:

6 Sec. 29.08.070. LIMIT ON HOME RULE POWER TO COLLECT
7 DELINQUENT LIENS. AS 29.10.455 and 29.10.540, relating to
8 the collection of delinquent real property tax liens and
9 delinquent special assessment liens, apply to home rule
10 cities, and home rule cities are prohibited from collecting
11 such liens except as authorized in AS 29.10.455 and 29.10.540.

12 * Sec. 9. AS 07.15.320 is amended by adding a new subsection
13 to read:

14 (d) The first and second class boroughs shall enforce
15 the collection of the liens of delinquent special assessments
16 levied by the borough. Enforcement shall be as prescribed for
17 delinquent real property tax liens in ch. 17 of this title.
18 Both the liens of delinquent special assessments and de-
19 linquent real property taxes may be included in the same fore-
20 closure list but must be set out separately.

21 * Sec. 10. AS 7 is amended by adding a new chapter to read:

22 CHAPTER 12. HOME RULE BOROUGHES.

23 ARTICLE 1. TAXATION.

24 Sec. 07.12.010. LIMIT ON HOME RULE POWER TO COLLECT
25 DELINQUENT LIENS. AS 07.15.320(d), relating to the collec-
26 tion of delinquent real property tax liens and delinquent
27 special assessment liens, apply to home rule boroughs, and
28 home rule boroughs are prohibited from collecting such liens
29 except as authorized in AS 07.15.320(d).

ALASKA
STATE
LEGISLATURE

1 * Sec. 11. AS 29.10.318 and 29.10.456 - 29.10.540 are
2 repealed.

3 * Sec. 12. This Act takes effect July 1, 1966.
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