

Original sponsors: Willis and Huber

Offered: 4/11/77  
Referred: Rules

1 IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 37

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale, repurchase and disposi-  
7 tion of the proceeds of the sale of tax-foreclosed real  
8 property."

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

10 \* Section 1. AS 29.53.310(a) is amended to read:

11 (a) Properties transferred to the borough are held by the borough  
12 for at least one year. During the redemption period a party having an  
13 interest in the property may redeem it by paying the lien amount plus  
14 penalties, interest and costs, including all costs incurred under sec.  
15 350(a) of this chapter. Property redeemed is subject to all taxes,  
16 assessments, liens and claims as though it had continued in private  
17 ownership. Only the amount applicable under the judgment and decree  
18 must be paid in order to redeem the property.

19 \* Sec. 2. AS 29.53.350 is amended to read:

20 Sec. 29.53.350. EXPIRATION. (a) Not earlier than 30 days before  
21 the expiration of the redemption period the clerk shall publish a  
22 redemption period expiration notice. The notice shall contain the date  
23 of judgment, the date of expiration of the period of redemption and a  
24 warning to the effect that all properties ordered sold under the judg-  
25 ment, unless redeemed, shall be deeded to the borough or city  
26 immediately on expiration of the period of redemption and that every  
27 right or interest of any person in the properties will be forfeited  
28 forever to the borough or city. The notice is published once a week for  
29 four consecutive weeks in a newspaper of general circulation distributed

1 within the borough. If there is no newspaper of general circulation  
2 distributed within the borough, the notice is posted in three public  
3 places for at least four consecutive weeks. The clerk shall send a copy  
4 of the published notice by certified mail to each record owner of  
5 property against which [WHOM] a judgment of foreclosure has been taken  
6 and, if the assessed value of the property is more than \$10,000, to all  
7 holders of mortgages or other liens of record on the property. The  
8 notice shall be mailed within five days of the first publication. The  
9 mailing shall be sufficient if mailed to the property owner and to the  
10 holder of a mortgage or recorded lien at the last address of record.  
11 The right of redemption shall expire 30 days after the date of the first  
12 publication notice.

13 \* Sec. 3. AS 29.53.350 is amended by adding a new subsection to read:

14 (b) Costs incurred in the determination of holders of mortgages  
15 and other liens of record and costs of publication of notice incurred by  
16 a municipality under (a) of this section are a lien on the property and  
17 may be recovered by the municipality.

18 \* Sec. 4. AS 29.53.370 is repealed and re-enacted to read:

19 Sec. 29.53.370. DISPOSITION AND SALE OF FORECLOSED PROPERTIES.

20 (a) The assembly of a borough or council of a city shall determine by  
21 ordinance whether foreclosed property deeded to the municipality under  
22 sec. 360 of this chapter shall be retained by the municipality for a  
23 public purpose. The ordinance shall contain the legal description of  
24 the property, the address or a general description of the property  
25 sufficient to provide the public with notice of its location, and the  
26 name of the last record owner of the property as his name appears on the  
27 assessment rolls of the municipality.

28 (b) Tax-foreclosed properties conveyed to a borough or city by tax  
29 foreclosure and not required for a public purpose may be sold. Before

1 the sale of tax-foreclosed property held for a public purpose, the  
2 assembly or council, by ordinance, shall determine that a public need  
3 does not exist. The ordinance shall contain the information required in  
4 (a) of this section.

5 (c) The clerk shall send a copy of the published notice of hearing  
6 of an ordinance to consider a determination required by (a) or (b) of  
7 this section by certified mail to the former record owner of the parcel  
8 of property which is the subject of the ordinance. The notice shall be  
9 mailed within five days of its first publication and shall be sufficient  
10 if mailed to the property owner at the last address of record.

11 (d) The provisions of (c) of this section do not apply with respect  
12 to property which has been held by the municipality for a period of more  
13 than 10 years after the close of the redemption period.

14 \* Sec. 5. AS 29.53.375(a) is amended to read:

15 (a) The record owner at the time of tax foreclosure of property  
16 acquired by a borough or city, or his assigns, may, at any time before  
17 the sale or contract of sale of the tax-foreclosed property by the  
18 borough or city, repurchase the property. The borough or city shall  
19 sell the property [,] for the full amount applicable to the property  
20 under the judgment and decree, with interest at the rate of eight per  
21 cent a year from the date of entry of the judgment of foreclosure to the  
22 date of repurchase, [TOGETHER WITH] delinquent taxes assessed and levied  
23 as though it had continued in private ownership, and costs of fore-  
24 closure and sale, including, but not limited to, costs of publication of  
25 notice and any costs associated with the determination of holders of  
26 mortgages and other liens of record under sec. 350(a) of this chapter.

27 \* Sec. 6. AS 29.53.375(b) is repealed and re-enacted to read:

28 (b) After adoption of an ordinance providing for the retention of  
29 a parcel of tax-foreclosed property by the municipality for a public

1 purpose, the right of the former record owner to repurchase the property  
2 ceases.

3 \* Sec. 7. AS 29.53.380 is amended by adding a new subsection to read:

4 (b) The former record owner of tax-foreclosed real property which  
5 has been held by a municipality for less than 10 years after the close  
6 of the redemption period and never designated for a public purpose which  
7 is sold at a tax-foreclosure sale is entitled to the portion of the  
8 proceeds of the sale which exceeds the amount sufficient to satisfy  
9 unpaid taxes, delinquent taxes assessed and levied as if the property  
10 had continued in private ownership, penalty, interest and costs of  
11 property sold, including costs incurred under sec. 350(a) of this  
12 chapter. If the proceeds of the sale of tax-foreclosed property exceed  
13 the total of unpaid and delinquent taxes, penalty, interest, and costs,  
14 the borough or city shall provide the former owner of the property  
15 written notice advising of the amount of the excess and the manner in  
16 which a claim for the balance of the proceeds may be submitted. Notice  
17 is sufficient under this subsection if mailed to the former owner at his  
18 last address of record. Upon presentation of a proper claim, the  
19 municipality shall remit the excess to the former record owner. A claim  
20 for the excess filed after six months of the date of sale is forever  
21 barred.

22 \* Sec. 8. AS 29.48.130(a) is amended by adding a new paragraph to read:

23 (11) provide for the retention or sale of tax-foreclosed  
24 property.