

NOTICE – Effective August 1, 2012

TO: ATTORNEYS, TITLE COMPANIES, RECORDING ENTITIES, INDIVIDUALS, ETC.

FROM: MADISON COUNTY PROBATE JUDGE

RE: ACT NO. 2012-494

Proper payment of deed and recording taxes

Effective August 1, 2012, the Department of Revenue requires that we have strict proof of the value of property being conveyed in a deed. They have developed a form that will need to be attached to and recorded with the deed, a copy of which is provided to you here. Below is a portion of the notice that was sent to title agents by Commonwealth Title that should explain the changes. Let us know if you have any questions.

Effective August 1, 2012, and pursuant to Act No. 2012-494 passed by the Alabama Legislature, the Department of Revenue has promulgated the attached Form which is required to be submitted to the Judge of Probate along with every property conveyance filed for record. As you will note, the only exception to using the form is if the deed itself contains the information required by the Act.

It will be a matter of preference for you as to including in the four corners of the deed the following: grantor's name and mailing address, grantee's name and mailing address, property address, date of sale, total purchase price. Otherwise, completing the form and submitting it with the deed is considered full compliance. Judges of Probate may require the recording of the form itself, at an additional page-only cost, but the Act is silent on that issue so there may be differences among the counties. Also, failure to comply with the Act provides a significant penalty to be imposed by the Probate Judge, \$100 or 25% of the tax due *whichever is greater*. How the provisions of this law will be implemented is something we cannot entirely predict but we have had significant discussions with the Department of Revenue and the Probate Judges Association in an effort to reach consensus.

Real Estate Sales Validation Form

This Document must be filed in accordance with Code of Alabama 1975, Section 40-22-1

Grantor's Name _____ Mailing Address _____ _____ _____ Property Address _____ _____ _____ _____	Grantee's Name _____ Mailing Address _____ _____ _____ Date of Sale _____ Total Purchase Price \$ _____ or Actual Value \$ _____ or Assessor's Market Value \$ _____
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The purchase price or actual value claimed on this form can be verified in the following documentary evidence: (check one) (Recordation of documentary evidence is not required)

<input type="checkbox"/> Bill of Sale	<input type="checkbox"/> Appraisal
<input type="checkbox"/> Sales Contract	<input type="checkbox"/> Other
<input type="checkbox"/> Closing Statement	_____

If the conveyance document presented for recordation contains all of the required information referenced above, the filing of this form is not required.

Instructions

Grantor's name and mailing address - provide the name of the person or persons conveying interest to property and their current mailing address.

Grantee's name and mailing address - provide the name of the person or persons to whom interest to property is being conveyed.

Property address - the physical address of the property being conveyed, if available.

Date of Sale - the date on which interest to the property was conveyed.

Total purchase price - the total amount paid for the purchase of the property, both real and personal, being conveyed by the instrument offered for record.

Actual value - if the property is not being sold, the true value of the property, both real and personal, being conveyed by the instrument offered for record. This may be evidenced by an appraisal conducted by a licensed appraiser or the assessor's current market value.

If no proof is provided and the value must be determined, the current estimate of fair market value, excluding current use valuation, of the property as determined by the local official charged with the responsibility of valuing property for property tax purposes will be used and the taxpayer will be penalized pursuant to Code of Alabama 1975 § 40-22-1 (h).

I attest, to the best of my knowledge and belief that the information contained in this document is true and accurate. I further understand that any false statements claimed on this form may result in the imposition of the penalty indicated in Code of Alabama 1975 § 40-22-1 (h).

Date _____	Print _____
_____ Unattested _____ (verified by)	Sign _____ (Grantor/Grantee/Owner/Agent) circle one