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TAX SALE - ALASKA

[Tagaban v. City of Pelican](#)

Supreme Court of Alaska - September 18, 2015 - P.3d - 2015 WL 5474352

Lienholder filed suit to challenge city's tax foreclosure sale on property in which he claimed an interest. Lienholder moved for summary judgment and city cross-moved. The Superior Court denied lienholder's motion and granted city's motion. Lienholder appealed.

The Supreme Court of Alaska held that:

- Statute governing municipalities' enforcement of tax liens did not violate lienholder's due process interests by limiting its foreclosure notice requirement to property owners;
- Because lienholder had actual knowledge of tax foreclosure during redemption period, and did not seek to redeem the property, he was precluded from raising a due process challenge to the redemption notice statute; and
- Prevailing party fees should not have been awarded for time city spent litigating lienholder's standing to sue as a class representative.

Even if judicial lienholder's interest was reasonably ascertainable, statute governing municipalities' enforcement of tax liens did not violate his due process interests by limiting its foreclosure notice requirement to property owners, where another statute that allowed mortgagees and lienholders to request foreclosure notice, provided a reasonable mechanism by which interest-holders such as the lienholder could protect their property rights.

Alaska's municipal foreclosure notice scheme, requiring lienholders to affirmatively request notice of pending tax sale, is reasonably calculated, under all circumstances, to apprise lienholders of the pendency of the action and afford them an opportunity to present their objections, as required by due process guarantees. Statutory structure reasonably balances lienholder's interest in preserving the ability to enforce a property interest against a governmental entity's interest in efficiently collecting taxes.