Alabama Property Protection Act of 2026

Quick Summary of §§ 35-21-5, 36-20-73, and 36-20-73.1

Overall purpose: These provisions strengthen seller identity verification, clarify when a notary may refuse an act, and establish safeguards for physical and remote notarizations.

Alabama Code § 35-21-5 | Seller Identity Verification Requirements

- **Real Estate Agents/Brokers** → A real estate agent or broker may not enter into a sale or lease agreement with an unknown seller who is not physically present unless the seller provides government-issued identification and property ownership records.
- **Settlement Agents** → Before closing a transfer of Class III property, a settlement agent must perform identity-document validation and seller identity verification when the property is vacant or not owner-occupied and is unencumbered by a security instrument.
- Documentation demonstrating compliance constitutes an affirmative defense to a civil claim under the chapter and may be addressed by the court on summary judgment.
- Compliance documentation must be retained for five years. A civil action against an agent, broker, or settlement agent arising from the transfer must be commenced within four years after recordation.

Alabama Code § 36-20-73 | Duties and Authority of Notaries Public

- A notary is not obligated to perform a notarial act if the notary has reason to believe the transaction is illegal, false, or deceptive; the individual is being coerced; or the individual's demeanor creates compelling doubt that the individual understands the consequences of the transaction.

Underwriting Takeaway

1. Settlement files for covered vacant or non-owner-occupied, mortgage-free Class III property should contain clear documentation of seller identity-document validation and identity verification.
2. Notaries are expressly permitted to decline suspicious or coercive transactions and should exercise judgment rather than treating notarization as a purely ministerial act.
3. Remote notarization remains available, but only with the enhanced identity, recording, location, voluntariness, and technology safeguards stated in § 36-20-73.1.

Source: SB292, Alabama Property Protection Act of 2026. The Act states an effective date of October 1, 2026.