

1 HB311  
2 115995-1  
3 By Representative Williams (J)  
4 RFD: Government Appropriations  
5 First Read: 19-JAN-10

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8 SYNOPSIS: This bill would expand and clarify the  
9 definition of residential property for ad valorem  
10 tax purposes to include dwellings under  
11 construction.

12  
13 A BILL  
14 TO BE ENTITLED  
15 AN ACT

16  
17 To amend Section 40-8-1, Code of Alabama 1975, as  
18 amended by Act No. 2009-508, 2009 Regular Session (Acts 2009,  
19 p. 937), relating to ad valorem taxes, to expand and clarify  
20 the definition of residential property for ad valorem tax  
21 purposes to include dwellings under construction.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 40-8-1, Code of Alabama 1975, as  
24 amended by Act No. 2009-508, 2009 Regular Session (Acts 2009,  
25 p. 937), is amended to read as follows:

26 "§40-8-1.

1           "(a) On and after October 1, 1978, with respect to  
2 ad valorem taxes levied by the state, and, unless otherwise  
3 provided, with respect to ad valorem taxes levied by a county,  
4 municipality, or other taxing authority other than the state,  
5 all taxable property shall be divided into the following  
6 classes and no other and shall be assessed for ad valorem tax  
7 purposes at the following ratios of assessed value to the fair  
8 and reasonable market value of such property, or, as may be  
9 provided by law, to the current use value of such property:

10           "CLASS I. All property of utilities used in the  
11 business of such utilities, 30 percent.

12           "CLASS II. All property not otherwise classified, 20  
13 percent.

14           "CLASS III. All agricultural, forest, and  
15 residential property, and historic buildings and sites, 10  
16 percent.

17           "CLASS IV. All private passenger automobiles and  
18 motor trucks of the type commonly known as "pickups" or  
19 "pickup trucks" owned and operated by an individual for  
20 personal or private use and not for hire, rent, or  
21 compensation, 15 percent.

22           "(b) As used herein, the following terms shall have  
23 the following meanings, respectively, unless the context  
24 clearly indicates otherwise:

25           "(1) AGRICULTURAL AND FOREST PROPERTY. All real  
26 property used for raising, harvesting, and selling crops or  
27 for the feeding, breeding, management, raising, sale of, or

1 the production of livestock, including beef cattle, sheep,  
2 swine, horses, ponies, mules, poultry, fur-bearing animals,  
3 honeybees, and fish, or for dairying and the sale of dairy  
4 products, or for the growing and sale of timber and forest  
5 products, or any other agricultural or horticultural use or  
6 animal husbandry and any combination thereof.

7 "(2) HISTORIC BUILDINGS AND SITES. Regardless of the  
8 use to which such property is put, all buildings or structures  
9 (i) determined eligible by the state historic preservation  
10 officer for listing on the National Register of Historic  
11 Places; or (ii) located in a registered historic district and  
12 certified by the United States Secretary of the Interior as  
13 being of historic significance to the district.

14 "(3) PRIVATE PASSENGER AUTOMOBILES AND MOTOR TRUCKS  
15 OF THE TYPE COMMONLY KNOWN AS "PICKUPS" OR "PICKUP TRUCKS"  
16 OWNED AND OPERATED BY AN INDIVIDUAL FOR PERSONAL OR PRIVATE  
17 USE AND NOT FOR HIRE, RENT, OR COMPENSATION. All private  
18 passenger automobiles, as that term is defined in Sections  
19 40-12-240, subdivision (12), and 40-12-241; and all motor  
20 trucks of the type commonly known as "pickups" or "pickup  
21 trucks," weighing not exceeding 8,000 pounds gross weight.

22 "(4) PROPERTY NOT OTHERWISE CLASSIFIED. All real and  
23 personal property which does not fall within any one or more  
24 of Classes I, III, and IV.

25 "(5) PROPERTY OF UTILITIES. All property assessed  
26 for taxation by the Department of Revenue pursuant to the  
27 provisions of Chapter 21 of this title; provided, that after

1 September 30, 1979, and only to the extent required by Title  
2 III, §306 of Pub. L. 94-210 (the Railroad Revitalization and  
3 Regulatory Reform Act of 1976, codified as 49 U.S.C. §26c),  
4 "transportation property," as that term is defined in the  
5 aforesaid statute, as heretofore or hereafter amended, or in  
6 any subsequent statute of similar import, shall not be  
7 assessed as Class I property and customer-owned coin-operated  
8 telephone companies shall not be assessed as Class I property.

9 "(6) RESIDENTIAL PROPERTY. ~~Only real~~ Real property,  
10 used by the owner thereof exclusively as the owner's  
11 single-family dwelling. This includes an owner who resides on  
12 the property and remains in possession of the property after  
13 it is sold at a tax sale. Residential property shall also  
14 include single-family dwellings and the underlying lot, under  
15 construction and after construction, until sold or used for a  
16 purpose other than as the owner's single-family dwelling for a  
17 period not to exceed 24 months from the date construction  
18 begins.

19 "(c) Wherever any statute provides for, limits, or  
20 measures the power or authority of any county, municipality,  
21 or other taxing authority to levy taxes, borrow money, or  
22 incur indebtedness in relation to the assessment of property  
23 therein for state taxes or for state and county taxes, such  
24 provision shall mean as assessed for county or municipal  
25 taxes.

26 "(d) The following property shall be exempted from  
27 ad valorem taxation: The real and personal property of the

1 state, counties, and municipalities and real and personal  
2 property devoted exclusively to religious, education, or  
3 charitable purposes. The property of Masonic lodges, Knights  
4 of Columbus homes, and union halls shall be exempt when used  
5 exclusively for the purposes and business of such  
6 organizations. All property now exempt by law shall continue  
7 to be exempt from taxation until changed by law.

8 "(e) The Department of Revenue shall have authority  
9 to promulgate rules and regulations for the uniform  
10 identification and assessment of manufactured homes."

11 Section 2. This act shall become effective on the  
12 first day of the third month following its passage and  
13 approval by the Governor, or its otherwise becoming law.