

1 SB8
2 100970-2
3 By Senators Brooks and Pittman
4 RFD: Finance and Taxation Education
5 First Read: 12-JAN-10
6 PFD: 05/16/2009

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8 SYNOPSIS: This bill adjusts the ad valorem tax
9 homestead exemptions for cost of living.

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11 A BILL
12 TO BE ENTITLED
13 AN ACT

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15 To amend Section 40-9-19, Code of Alabama 1975,
16 relating to the homestead exemptions from ad valorem taxation;
17 to provide for an annual adjustment for cost of living as
18 indicated by the U.S. Department of Labor Consumer Price
19 Index.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. Section 40-9-19, Code of Alabama 1975, is
22 amended to read as follows:

23 "§40-9-19.

24 "(a) Homesteads, as defined by the Constitution and
25 laws of Alabama, are hereby exempted from all state ad valorem
26 taxes. In no case shall the exemption herein made apply to
27 more than one person, head of the family, nor shall the said

1 exemption exceed \$4,000 in assessed value, nor 160 acres in
2 area for any resident of this state who is not over 65 years
3 of age. The homesteads of residents of this state, over 65
4 years of age, or who are retired due to permanent and total
5 disability, regardless of age, or who are blind as defined in
6 Section 1-1-3, regardless of age or whether such person is
7 retired, shall be exempt from all state ad valorem taxes.

8 "The state Commissioner of Revenue is hereby
9 empowered to define and specify the condition or state of
10 health that makes a person "permanently and totally disabled"
11 and may issue certificates of disability to such person as he
12 may find meets such specifications. Any person who is drawing
13 any pension or annuity from the armed services or a company or
14 governmental agency as being permanently and totally disabled
15 shall automatically be granted a certificate of permanent and
16 total disability by the state Commissioner of Revenue.

17 "(b) For tax years beginning on and after October 1,
18 1981, for residents of this state not over 65 years of age,
19 homesteads, as defined by the Constitution and laws of
20 Alabama, are hereby exempted from all ad valorem property
21 taxes levied, except countywide and school district ad valorem
22 taxes levied for school purposes, by any county of this state.
23 In no case shall such exemption herein made apply to more than
24 one person, head of the family, nor shall the said exemption
25 exceed \$2,000 in assessed value, nor 160 acres in area for any
26 resident of this state who is not over 65 years of age except
27 as provided in subsection (c) of this section.

1 "(c) For tax years beginning on and after October 1,
2 1981, the governing body of any county, municipality or other
3 local taxing authority may at any time grant by resolution or
4 ordinance an exemption from any levy of ad valorem property
5 taxes levied by such county, municipality or other local
6 taxing authority on homesteads, as defined by the Constitution
7 and laws of Alabama, of residents of this state not over 65
8 years of age. In no case shall such exemption herein allowed
9 apply to more than one person, head of the family, nor shall
10 said exemption, when added to any other homestead exemption
11 applicable to the same ad valorem tax levy, exceed \$4,000 in
12 assessed value, nor 160 acres in area. Any homestead exemption
13 granted pursuant to this subsection (c) may be adjusted,
14 rescinded or reinstated at any time by resolution or ordinance
15 of the governing body of the county, municipality or other
16 local taxing authority granting such exemption. Any action
17 authorized by this subsection to be taken by a taxing
18 authority, or the governing body thereof, shall, other than in
19 the case of a municipality, be taken by resolution of the
20 governing body of the county in which such taxing authority is
21 located acting on behalf of such taxing authority; provided
22 however, any action authorized by this subsection to be taken
23 by a taxing authority, or the governing body thereof, which
24 action shall affect countywide or district ad valorem taxes
25 levied solely for the support of county or city school
26 districts, shall be taken by resolutions of the governing
27 bodies and boards of the school systems that are recipients of

1 the proceeds of the ad valorem tax so affected by such action.
2 The provisions of this subsection (c) shall in no way annul or
3 reduce exemptions provided under subsections (a), (b) and (d)
4 of this section.

5 "(d) For tax years beginning on and after October 1,
6 1981, for residents of this state, over 65 years of age who
7 have an annual adjusted gross income of less than \$12,000 as
8 reflected on the most recent state income tax return or some
9 other appropriate evidence, or who are retired due to
10 permanent and total disability, regardless of age, or who are
11 blind as defined in Section 1-1-3, regardless of age or
12 whether such person is retired, homesteads, as defined in the
13 Constitution and laws of Alabama, are hereby exempted from ad
14 valorem property taxes levied by any county of this state,
15 including such taxes levied for school districts. In no case
16 shall such exemption exceed \$5,000 in assessed value, nor 160
17 acres in area. With respect to homesteads situated in more
18 than one county, the exemption granted herein shall be
19 prorated between the counties in which the homestead is
20 situated in the proportion that the area of the homestead in
21 each county bears to the total area of the homestead claimed
22 for exemption.

23 "The Department of Revenue may by regulation define
24 and specify the condition or state of health that makes a
25 person "permanently and totally disabled" and may issue
26 certificates of disability to any person that meets such
27 specifications. Any person who is drawing any pension or

1 annuity from the armed services, a private company or any
2 governmental agency because he is permanently and totally
3 disabled shall automatically be granted a certificate of
4 permanent and total disability by the Department of Revenue.

5 "(e) The grant of any homestead exemption provided
6 under the provisions of this section shall not be allowed if
7 such grant shall prevent the payment of any bonded
8 indebtedness secured by any tax to which the homestead
9 exemption would apply.

10 "(f) Beginning with the fiscal year ending September
11 30, 2008, and each fiscal year thereafter, the exemptions
12 provided herein shall be adjusted annually to reflect any
13 increase in the cost of living as indicated by the United
14 States Department of Labor Consumer Price Index or any
15 succeeding equivalent index."

16 Section 2. This act shall become effective
17 immediately following its passage and approval by the
18 Governor, or its otherwise becoming law.