

1 SB506
2 131279-2
3 By Senators Dunn, Ross, Fielding, Coleman, Sanders, Beasley,
4 Irons, Bedford, Smitherman, Figures, Beason, Keahey, Bussman,
5 Reed, Taylor, Blackwell, Marsh, Whatley, Holley, Holtzclaw,
6 Sanford, Singleton, Allen, Dial, Waggoner and Brewbaker
7 RFD: Finance and Taxation General Fund
8 First Read: 24-MAY-11

1 SB506

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4 ENROLLED, An Act,

5 To amend Section 40-8-1, Code of Alabama 1975,
6 relating to classification of property for ad valorem tax
7 purposes, and Section 40-9-19, Code of Alabama 1975, relating
8 to homesteads; to provide that the classification of property
9 as residential property or a homestead would not be affected
10 under certain conditions when the property is damaged by a
11 natural disaster.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Sections 40-8-1 and 40-9-19, Code of
14 Alabama 1975, are amended to read as follows:

15 "§40-8-1.

16 "(a) On and after October 1, 1978, with respect to
17 ad valorem taxes levied by the state, and, unless otherwise
18 provided, with respect to ad valorem taxes levied by a county,
19 municipality, or other taxing authority other than the state,
20 all taxable property shall be divided into the following
21 classes and no other and shall be assessed for ad valorem tax
22 purposes at the following ratios of assessed value to the fair
23 and reasonable market value of such property, or, as may be
24 provided by law, to the current use value of such property:

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

3 "CLASS II. All property not otherwise classified, 20
4 percent.

5 "CLASS III. All agricultural, forest, and
6 residential property, and historic buildings and sites, 10
7 percent.

8 "CLASS IV. All private passenger automobiles and
9 motor trucks of the type commonly known as "pickups" or
10 "pickup trucks" owned and operated by an individual for
11 personal or private use and not for hire, rent, or
12 compensation, 15 percent.

13 "(b) As used herein, the following terms shall have
14 the following meanings, respectively, unless the context
15 clearly indicates otherwise:

16 "(1) AGRICULTURAL AND FOREST PROPERTY. All real
17 property used for raising, harvesting, and selling crops or
18 for the feeding, breeding, management, raising, sale of, or
19 the production of livestock, including beef cattle, sheep,
20 swine, horses, ponies, mules, poultry, fur-bearing animals,
21 honeybees, and fish, or for dairying and the sale of dairy
22 products, or for the growing and sale of timber and forest
23 products, or any other agricultural or horticultural use or
24 animal husbandry and any combination thereof.

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

8 "(3) PRIVATE PASSENGER AUTOMOBILES AND MOTOR TRUCKS
9 OF THE TYPE COMMONLY KNOWN AS "PICKUPS" OR "PICKUP TRUCKS"
10 OWNED AND OPERATED BY AN INDIVIDUAL FOR PERSONAL OR PRIVATE
11 USE AND NOT FOR HIRE, RENT, OR COMPENSATION. All private
12 passenger automobiles, as that term is defined in Sections
13 40-12-240, subdivision (12), and 40-12-241; and all motor
14 trucks of the type commonly known as "pickups" or "pickup
15 trucks," weighing not exceeding 8,000 pounds gross weight.

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

19 "(5) PROPERTY OF UTILITIES. All property assessed
20 for taxation by the Department of Revenue pursuant to the
21 provisions of Chapter 21 of this title; provided, that after
22 September 30, 1979, and only to the extent required by Title
23 III, §306 of Pub. L. 94-210 (the Railroad Revitalization and
24 Regulatory Reform Act of 1976, codified as 49 U.S.C. §26c),
25 "transportation property," as that term is defined in the

1 aforesaid statute, as heretofore or hereafter amended, or in
2 any subsequent statute of similar import, shall not be
3 assessed as Class I property and customer-owned coin-operated
4 telephone companies shall not be assessed as Class I property.

5 "(6) RESIDENTIAL PROPERTY. Real property, used by
6 the owner thereof exclusively as the owner's single-family
7 dwelling. This includes an owner who resides on the property
8 and remains in possession of the property after it is sold at
9 a tax sale. Property classified as residential property shall
10 not lose its classification as residential property for a
11 period of 24 months if the property is not used as the owner's
12 single-family dwelling because the property is not inhabitable
13 or is otherwise under repair after being damaged by a natural
14 disaster such as a tornado or hurricane.

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

22 "(d) The following property shall be exempted from
23 ad valorem taxation: The real and personal property of the
24 state, counties, and municipalities and real and personal
25 property devoted exclusively to religious, education, or

1 charitable purposes. The property of Masonic lodges, Knights
2 of Columbus homes, and union halls shall be exempt when used
3 exclusively for the purposes and business of such
4 organizations. All property now exempt by law shall continue
5 to be exempt from taxation until changed by law.

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

9 "§40-9-19.

10 "(a) Homesteads, as defined by the Constitution and
11 laws of Alabama, are hereby exempted from all state ad valorem
12 taxes. In no case shall the exemption herein made apply to
13 more than one person, head of the family, nor shall the said
14 exemption exceed \$4,000 in assessed value, nor 160 acres in
15 area for any resident of this state who is not over 65 years
16 of age. The homesteads of residents of this state, over 65
17 years of age, or who are retired due to permanent and total
18 disability, regardless of age, or who are blind as defined in
19 Section 1-1-3, regardless of age or whether such person is
20 retired, shall be exempt from all state ad valorem taxes.

21 "The state Commissioner of Revenue is hereby
22 empowered to define and specify the condition or state of
23 health that makes a person "permanently and totally disabled"
24 and may issue certificates of disability to such person as he
25 may find meets such specifications. Any person who is drawing

1 any pension or annuity from the armed services or a company or
2 governmental agency as being permanently and totally disabled
3 shall automatically be granted a certificate of permanent and
4 total disability by the state Commissioner of Revenue.

5 "(b) For tax years beginning on and after October 1,
6 1981, for residents of this state not over 65 years of age,
7 homesteads, as defined by the Constitution and laws of
8 Alabama, are hereby exempted from all ad valorem property
9 taxes levied, except countywide and school district ad valorem
10 taxes levied for school purposes, by any county of this state.
11 In no case shall such exemption herein made apply to more than
12 one person, head of the family, nor shall the said exemption
13 exceed \$2,000 in assessed value, nor 160 acres in area for any
14 resident of this state who is not over 65 years of age except
15 as provided in subsection (c) of this section.

16 "(c) For tax years beginning on and after October 1,
17 1981, the governing body of any county, municipality or other
18 local taxing authority may at any time grant by resolution or
19 ordinance an exemption from any levy of ad valorem property
20 taxes levied by such county, municipality or other local
21 taxing authority on homesteads, as defined by the Constitution
22 and laws of Alabama, of residents of this state not over 65
23 years of age. In no case shall such exemption herein allowed
24 apply to more than one person, head of the family, nor shall
25 said exemption, when added to any other homestead exemption

1 applicable to the same ad valorem tax levy, exceed \$4,000 in
2 assessed value, nor 160 acres in area. Any homestead exemption
3 granted pursuant to this subsection (c) may be adjusted,
4 rescinded or reinstated at any time by resolution or ordinance
5 of the governing body of the county, municipality or other
6 local taxing authority granting such exemption. Any action
7 authorized by this subsection to be taken by a taxing
8 authority, or the governing body thereof, shall, other than in
9 the case of a municipality, be taken by resolution of the
10 governing body of the county in which such taxing authority is
11 located acting on behalf of such taxing authority; provided
12 however, any action authorized by this subsection to be taken
13 by a taxing authority, or the governing body thereof, which
14 action shall affect countywide or district ad valorem taxes
15 levied solely for the support of county or city school
16 districts, shall be taken by resolutions of the governing
17 bodies and boards of the school systems that are recipients of
18 the proceeds of the ad valorem tax so affected by such action.
19 The provisions of this subsection (c) shall in no way annul or
20 reduce exemptions provided under subsections (a), (b) and (d)
21 of this section.

22 "(d) For tax years beginning on and after October 1,
23 1981, for residents of this state, over 65 years of age who
24 have an annual adjusted gross income of less than \$12,000 as
25 reflected on the most recent state income tax return or some

1 other appropriate evidence, or who are retired due to
2 permanent and total disability, regardless of age, or who are
3 blind as defined in Section 1-1-3, regardless of age or
4 whether such person is retired, homesteads, as defined in the
5 Constitution and laws of Alabama, are hereby exempted from ad
6 valorem property taxes levied by any county of this state,
7 including such taxes levied for school districts. In no case
8 shall such exemption exceed \$5,000 in assessed value, nor 160
9 acres in area. With respect to homesteads situated in more
10 than one county, the exemption granted herein shall be
11 prorated between the counties in which the homestead is
12 situated in the proportion that the area of the homestead in
13 each county bears to the total area of the homestead claimed
14 for exemption.

15 "The Department of Revenue may by regulation define
16 and specify the condition or state of health that makes a
17 person "permanently and totally disabled" and may issue
18 certificates of disability to any person that meets such
19 specifications. Any person who is drawing any pension or
20 annuity from the armed services, a private company or any
21 governmental agency because he is permanently and totally
22 disabled shall automatically be granted a certificate of
23 permanent and total disability by the Department of Revenue.

24 "(e) The grant of any homestead exemption provided
25 under the provisions of this section shall not be allowed if

1 such grant shall prevent the payment of any bonded
2 indebtedness secured by any tax to which the homestead
3 exemption would apply.

4 "(f) Any homestead exemption under this section or
5 Section 40-9-21 shall not be affected during any period the
6 homestead is being repaired after being damaged by a natural
7 disaster such as a tornado or hurricane."

8 Section 2. All laws or parts of laws which conflict
9 with this act are repealed.

10 Section 3. This act shall become effective on the
11 first day of the third month following its passage and
12 approval by the Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB506

Senate 31-MAY-11

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris
Secretary

House of Representatives
Passed: 09-JUN-11

By: Senator Dunn