

1 SB9  
2 125372-1  
3 By Senators Brooks and Glover  
4 RFD: Finance and Taxation Education  
5 First Read: 01-MAR-11  
6 PFD: 01/18/2011

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8 SYNOPSIS: Currently, the homestead exemption granted  
9 property owners may not exceed \$4,000 in assessed  
10 value.

11 This bill would increase the homestead  
12 exemption to \$8,000 in assessed value.

13  
14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

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18 To amend Section 40-9-19, Code of Alabama 1975,  
19 relating to the homestead exemption, to increase the homestead  
20 exemption to \$8,000 in assessed value.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

24 "§40-9-19.

25 "(a) Homesteads, as defined by the Constitution and  
26 laws of Alabama, are hereby exempted from all state ad valorem  
27 taxes. In no case shall the exemption herein made apply to

1 more than one person, head of the family, nor shall the ~~said~~  
2 exemption exceed ~~\$4,000~~ eight thousand dollars (\$8,000) in  
3 assessed value, nor 160 acres in area for any resident of this  
4 state who is not over 65 years of age. The homesteads of  
5 residents of this state, over 65 years of age, or who are  
6 retired due to permanent and total disability, regardless of  
7 age, or who are blind as defined in Section 1-1-3, regardless  
8 of age or whether such person is retired, shall be exempt from  
9 all state ad valorem taxes.

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

20 "(b) For tax years beginning on and after October 1,  
21 1981, for residents of this state not over 65 years of age,  
22 homesteads, as defined by the Constitution and laws of  
23 Alabama, are hereby exempted from all ad valorem property  
24 taxes levied, except countywide and school district ad valorem  
25 taxes levied for school purposes, by any county of this state.  
26 In no case shall such exemption herein made apply to more than  
27 one person, head of the family, nor shall the ~~said~~ exemption

1 exceed ~~\$2,000~~ eight thousand dollars (\$8,000) in assessed  
2 value, nor 160 acres in area for any resident of this state  
3 who is not over 65 years of age except as provided in  
4 subsection (c) of this section.

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

1 governing body thereof, which action shall affect countywide  
2 or district ad valorem taxes levied solely for the support of  
3 county or city school districts, shall be taken by resolutions  
4 of the governing bodies and boards of the school systems that  
5 are recipients of the proceeds of the ad valorem tax so  
6 affected by such action. The provisions of this subsection (c)  
7 shall in no way annul or reduce exemptions provided under  
8 subsections (a), (b), and (d) of this section.

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

1           "The Department of Revenue may by regulation define  
2 and specify the condition or state of health that makes a  
3 person "permanently and totally disabled" and may issue  
4 certificates of disability to any person that meets such  
5 specifications. Any person who is drawing any pension or  
6 annuity from the armed services, a private company or any  
7 governmental agency because he is permanently and totally  
8 disabled shall automatically be granted a certificate of  
9 permanent and total disability by the Department of Revenue.

10           "(e) The grant of any homestead exemption provided  
11 under the provisions of this section shall not be allowed if  
12 such grant shall prevent the payment of any bonded  
13 indebtedness secured by any tax to which the homestead  
14 exemption would apply."

15           Section 2. This act shall become effective October  
16 1, 2011, following its passage and approval by the Governor,  
17 or its otherwise becoming law.