

1 199806-1 : n : 04/23/2019 : ANS / tj LSA2019-20391

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3 HOUSE STATE GOVERNMENT COMMITTEE SUBSTITUTE FOR HB338

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8 SYNOPSIS: Under existing law, there are no prescribed
9 methods for a person to initially claim a homestead
10 exemption.

11 Under existing law, any person who is
12 permanently and totally disabled and who qualifies
13 for a homestead exemption after the initial
14 qualification, may verify eligibility for the
15 exemption each year by mail.

16 Also, under existing law, any person over
17 the age of 65 who qualifies for the homestead
18 exemption within the income limitations, after
19 initial qualification, may verify eligibility for
20 the exemption each year by mail.

21 This bill would establish methods for a
22 person to initially claim a homestead exemption.

23
24 A BILL

25 TO BE ENTITLED

26 AN ACT

Relating to homestead exemptions; to amend Sections 40-9-19 and 40-9-21.1, Code of Alabama 1975; to establish methods for a person to initially claim a homestead exemption.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 40-9-19 and 40-9-21.1, Code of Alabama 1975, are amended to read as follows:

"§40-9-19.

"(a) (1) Homesteads, as defined by the Constitution and laws of Alabama, are hereby exempted from all state ad valorem taxes. In no case shall the exemption herein made apply to more than one person, head of the family, nor shall the said exemption exceed \$4,000 in assessed value, nor 160 acres in area for any resident of this state who is not over 65 years of age.

"(2) The homesteads of residents of this state, over 65 years of age, or who are retired due to permanent and total disability, regardless of age, or who are blind as defined in Section 1-1-3, regardless of age or whether such person is retired, shall be exempt from all state ad valorem taxes.

"(3) The state Commissioner of Revenue is hereby empowered to define and specify the condition or state of health that makes a person "permanently and totally disabled" and may issue certificates of disability to such person as he may find meets such specifications. Any person who is drawing any pension or annuity from the armed services or a company or governmental agency as being permanently and totally disabled

1 shall automatically be granted a certificate of permanent and
2 total disability by the state Commissioner of Revenue.

3 "(b) For tax years beginning on and after October 1,
4 1981, for residents of this state not over 65 years of age,
5 homesteads, as defined by the Constitution and laws of
6 Alabama, are hereby exempted from all ad valorem property
7 taxes levied, except countywide and school district ad valorem
8 taxes levied for school purposes, by any county of this state.
9 In no case shall such exemption herein made apply to more than
10 one person, head of the family, nor shall the said exemption
11 exceed \$2,000 in assessed value, nor 160 acres in area for any
12 resident of this state who is not over 65 years of age except
13 as provided in subsection (c) of this section.

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

1 of the governing body of the county, municipality or other
2 local taxing authority granting such exemption. Any action
3 authorized by this subsection to be taken by a taxing
4 authority, or the governing body thereof, shall, other than in
5 the case of a municipality, be taken by resolution of the
6 governing body of the county in which such taxing authority is
7 located acting on behalf of such taxing authority; provided
8 however, any action authorized by this subsection to be taken
9 by a taxing authority, or the governing body thereof, which
10 action shall affect countywide or district ad valorem taxes
11 levied solely for the support of county or city school
12 districts, shall be taken by resolutions of the governing
13 bodies and boards of the school systems that are recipients of
14 the proceeds of the ad valorem tax so affected by such action.
15 The provisions of this subsection (c) shall in no way annul or
16 reduce exemptions provided under subsections (a), (b), and (d)
17 of this section.

18 "(d) For tax years beginning on and after October 1,
19 1981, for residents of this state, over 65 years of age who
20 have an annual adjusted gross income of less than \$12,000 as
21 reflected on the most recent state income tax return or some
22 other appropriate evidence, or who are retired due to
23 permanent and total disability, regardless of age, or who are
24 blind as defined in Section 1-1-3, regardless of age or
25 whether such person is retired, homesteads, as defined in the
26 Constitution and laws of Alabama, are hereby exempted from ad
27 valorem property taxes levied by any county of this state,

1 including such taxes levied for school districts. In no case
2 shall such exemption exceed \$5,000 in assessed value, nor 160
3 acres in area. With respect to homesteads situated in more
4 than one county, the exemption granted herein shall be
5 prorated between the counties in which the homestead is
6 situated in the proportion that the area of the homestead in
7 each county bears to the total area of the homestead claimed
8 for exemption.

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

18 "(e) The grant of any homestead exemption provided
19 under the provisions of this section shall not be allowed if
20 such grant shall prevent the payment of any bonded
21 indebtedness secured by any tax to which the homestead
22 exemption would apply.

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

27 "§40-9-21.1.

1 "(a) Effective January 1, 2020, any person who
2 qualifies for the homestead exemption in Section 40-9-19(a)(1)
3 shall initially claim the exemption in person or by a form
4 affidavit provided by the Alabama Department of Revenue, and
5 any person who qualifies for the homestead exemption pursuant
6 to subdivision (2) of subsection (a) of Section 40-9-19 and
7 Section 40-9-21 shall initially claim the exemption in person.

8 "(b) Any law to the contrary notwithstanding, any
9 person who is permanently and totally disabled and who
10 qualifies for the homestead exemptions in Sections Section
11 40-9-19(a)(2) and Section 40-9-21 shall not be required to
12 annually claim such the exemptions after the initial
13 qualification, but shall be allowed to verify such condition
14 eligibility for the exemptions each year thereafter in person
15 or by mail on a form affidavit to be provided by the tax
16 assessor. Also, any person over the age of 65 who qualifies
17 for the homestead exemptions under the income limitations
18 provided in Sections 40-9-19 and 40-9-21 shall after the
19 initial qualification be allowed to verify such eligibility
20 each year by mail on a form affidavit to be provided by the
21 tax assessor."

22 Section 2. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.