

HB73 INTRODUCED



1 HB73

2 GW37CC-1

3 By Representatives Pettus, Crawford, Reynolds, Shaver,
4 Stringer, Moore (P), Shirey, Brown, Fidler, Lipscomb, Givens,
5 Daniels, Simpson, Shedd, Lee, Harrison, Ingram, Lovvorn,
6 Hulsey, Oliver, Rigsby, Ledbetter, Collins

7 RFD: Ways and Means General Fund

8 First Read: 06-Feb-24

9 PFD: 30-Jan-24



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SYNOPSIS:

Under existing law there is no limit on increases in assessed value of real property.

This bill would provide for a cap on real property tax assessments under certain conditions.

A BILL
TO BE ENTITLED
AN ACT

Relating to property taxes; to add a new section to the Code of Alabama 1975, to provide a cap on real property tax assessments under certain conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. A new section is added to the Code of Alabama 1975, to read as follows:

(a) After each county-wide reappraisal, as provided by Article 2, Chapter 7, Title 40, Code of Alabama 1975, and the resulting assessed value of property for ad valorem tax purposes, the tax assessor shall compare the assessed value of each real property reappraised or reassessed to the prior year's assessed value. If the assessed value of the property increased, then the tax assessor shall adjust the assessed value of the property pursuant to this section.



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29 (b) (1) Class III properties, as defined in Section
30 40-8-1, Code of Alabama 1975, shall be limited to not more
31 than a three percent increase in the assessed value of the
32 property from the previous year's assessed value.

33 (2) Class II properties, as defined in Section 40-8-1,
34 Code of Alabama 1975, shall be limited to not more than a five
35 percent increase in the assessed value of the property from
36 the previous year's assessed value.

37 (c) The limitations provided for in subsection (b)
38 shall not apply to:

39 (1) Real property that has never been assessed.

40 (2) Substantial improvements to real property, including
41 new construction.

42 (3) Change in ownership of the property.

43 Section 2. This act shall become effective on October
44 1, 2024.