



**House Ways and Means Education Reported Substitute
for HB226**

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A BILL
TO BE ENTITLED
AN ACT

Relating to ad valorem tax; to amend Sections 40-9-19, 40-9-19.1, and 40-9-21, Code of Alabama 1975, regarding homestead exemptions; to allow the unremarried widow or widower of certain individuals to claim the exemption; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 40-9-19, 40-9-19.1, and 40-9-21, 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 exempt from all state ad valorem taxes. ~~In no case shall the~~The exemption shall not apply to more than one ~~person~~individual or head of the family, nor shall the exemption exceed four thousand dollars (\$4,000) in assessed value or 160 acres in area for any resident of this state who is not over 65 years of age.

(2) The homesteads of a residents of this state shall be exempt from all state ad valorem taxes if the individual is:



**House Ways and Means Education Reported Substitute
for HB226**

29 a. over 65 years of age,~~;~~ ~~or who~~

30 b.~~are~~ retired due to permanent and total disability,

31 regardless of age, ~~or who~~ ;

32 c.~~are~~ blind as defined in Section 1-1-3, regardless of

33 age or whether ~~such person~~the individual is retired; or

34 d. the unremarried widow or widower of a decedent

35 exempt pursuant to this subsection at his or her death, ~~shall~~

36 ~~be exempt from all state ad valorem taxes.~~ This paragraph

37 shall only apply:

- 38 1. To the homestead claimed by the decedent at the time
- 39 of his or her death; and
- 40 2. If the name of the unremarried widow or widower is
- 41 on the deed of the property.

42 (3) The state Commissioner of Revenue may define and

43 specify the condition or state of health that makes ~~a person~~an

44 individual "permanently and totally disabled" and may issue

45 certificates of disability to the ~~person~~individual as he or

46 she may find meets such specifications. Any ~~person~~individual

47 who is drawing any pension or annuity from the United States

48 Armed Forces~~armed services~~ or a company or governmental agency

49 as being permanently and totally disabled shall automatically

50 be granted a certificate of permanent and total disability by

51 the ~~state~~ Commissioner of Revenue.

52 (b) For ~~tax years beginning on and after October 1,~~

53 ~~1981, for~~ residents of this state not over 65 years of age,

54 homesteads, as defined by the Constitution and laws of

55 Alabama, are exempt from all ad valorem property taxes levied,

56 except countywide and school district ad valorem taxes levied



House Ways and Means Education Reported Substitute for HB226

57 for school purposes, by any county of this state. ~~In no case~~
58 ~~shall the~~The exemption shall not apply to more than one ~~person~~
59 individual or head of the family, nor shall the exemption
60 exceed two thousand dollars (\$2,000) in assessed value or 160
61 acres in area for any resident of this state who is not over
62 65 years of age except as provided in subsection (c).

63 (c) ~~For tax years beginning on and after October 1,~~
64 ~~1981, the~~The governing body of any county, municipality, or
65 other local taxing authority may ~~at any time~~ grant by
66 resolution or ordinance an exemption from any levy of ad
67 valorem property taxes levied by ~~such the~~ county,
68 municipality, or other local taxing authority on homesteads,
69 as defined by the Constitution and laws of Alabama, of
70 residents of this state not over 65 years of age. In no case
71 shall ~~such the~~ exemption allowed in this section apply to more
72 than one ~~person~~ individual or head of the family, nor shall
73 the exemption, when added to any other homestead exemption
74 applicable to the same ad valorem tax levy, exceed four
75 thousand dollars (\$4,000) in assessed value or 160 acres in
76 area. Any homestead exemption granted pursuant to this
77 subsection ~~(e)~~ may be adjusted, rescinded, or reinstated at
78 any time by resolution or ordinance of the governing body of
79 the county, municipality, or other local taxing authority
80 granting such exemption. Any action authorized by this
81 subsection to be taken by a taxing authority, or the governing
82 body thereof, other than in the case of a municipality, shall
83 be taken by resolution of the governing body of the county in
84 which ~~such the~~ taxing authority is located acting on behalf of



**House Ways and Means Education Reported Substitute
for HB226**

85 ~~such~~ the taxing authority; provided however, any action
 86 authorized by this subsection to be taken by a taxing
 87 authority, or the governing body thereof, which action shall
 88 affect countywide or district ad valorem taxes levied solely
 89 for the support of county or city school districts, shall be
 90 taken by resolutions of the governing bodies and boards of the
 91 school systems that are recipients of the proceeds of the ad
 92 valorem tax ~~so~~ affected by ~~such~~ the action. This subsection
 93 shall ~~in no way~~ not annul or reduce exemptions provided under
 94 subsections (a), (b), and (d).

95 (d) ~~(1) For tax years beginning on and after October 1,~~
 96 ~~1981, for~~ Homesteads, as defined in the Constitution and laws
 97 of Alabama, of residents of this state are exempt from ad
 98 valorem property taxes levied by any county of this state,
 99 including ad valorem taxes levied for school districts, if the
 100 individual is:

101 a. over 65 years of age ~~who have~~ and has an annual
 102 adjusted gross income of ~~less than~~ twelve thousand dollars
 103 (\$12,000) or less, as reflected on the most recent state
 104 income tax return or some other appropriate evidence; ~~or who~~

105 b. ~~are~~ retired due to permanent and total disability,
 106 regardless of age; ~~or who~~

107 c. ~~are~~ blind as defined in Section 1-1-3, regardless of
 108 age or whether ~~such person~~ the individual is retired; or

109 d. the unremarried widow or widower of a decedent
 110 exempt pursuant to this subsection at his or her death,
 111 ~~homesteads, as defined in the Constitution and laws of~~
 112 ~~Alabama, are exempt from ad valorem property taxes levied by~~



**House Ways and Means Education Reported Substitute
for HB226**

113 ~~any county of this state, including such taxes levied for~~
114 ~~school districts.~~ This paragraph shall only apply:

115 1. To the homestead claimed by the decedent at the time
116 of his or her death; and

117 2. If the name of the unremarried widow or widower is
118 on the deed of the property.

119 (2) In no case shall the exemption exceed five thousand
120 dollars (\$5,000) in assessed value or 160 acres in area. With
121 respect to homesteads situated in more than one county, the
122 exemption shall be prorated between the counties in which the
123 homestead is situated in the proportion that the area of the
124 homestead in each county bears to the total area of the
125 homestead claimed for exemption.

126 (3) The Department of Revenue, by rule, may define and
127 specify the condition or state of health that makes ~~a person an~~
128 individual "permanently and totally disabled" and may issue
129 certificates of disability to any ~~person individual~~ that meets
130 ~~such the~~ specifications. Any ~~person individual~~ who is drawing
131 any pension or annuity from the ~~armed services~~ United States
132 Armed Forces, a private company, or any governmental agency
133 because he or she is permanently and totally disabled shall
134 automatically be granted a certificate of permanent and total
135 disability by the Department of Revenue.

136 (e) The grant of any homestead exemption provided under
137 this section shall not be allowed if such grant shall prevent
138 the payment of any bonded indebtedness secured by any tax to
139 which the homestead exemption would apply.

140 (f) Any homestead exemption under this section or



**House Ways and Means Education Reported Substitute
for HB226**

141 Section 40-9-21 shall not be affected during any period the
142 homestead is being repaired after being damaged by a natural
143 disaster such as a tornado or hurricane."

144 "§40-9-19.1

145 (a) (1) The governing body of any municipality ~~may~~, upon
146 the request of the board of education of ~~such~~ the
147 municipality, may grant, by resolution, an exemption in whole
148 or in part from the increased portion of any ad valorem
149 property tax which has been increased pursuant to the
150 procedures specified in paragraph (f) of ~~Amendment No.~~
151 ~~373~~ Section 217 ~~to~~ of the Constitution of Alabama of ~~1901~~ 2022
152 for public school purposes, on the homesteads of a residents
153 of ~~such~~ the municipality who is:

154 a. over 65 years of age; ~~or who~~

155 b. ~~are~~ retired due to permanent and total disability,
156 regardless of age; ~~or who~~

157 c. ~~are~~ blind, as defined in Section 1-1-3, regardless of
158 age or whether ~~such person~~ the individual is retired; or

159 d. the unmarried widow or widower of a decedent
160 exempt pursuant to this section at his or her death. This
161 paragraph shall only apply:

162 1. To the homestead claimed by the decedent at the time
163 of his or her death; and

164 2. If the name of the unmarried widow or widower is
165 on the deed of the property.

166 (2) Any homestead exemption granted pursuant to this
167 section may be adjusted, rescinded or reinstated at any time
168 upon the request of the board of education of ~~such~~ the



**House Ways and Means Education Reported Substitute
for HB226**

169 municipality by resolution of the governing body of ~~such~~the
170 municipality. Any request made by a board of education
171 regarding an exemption pursuant to this section shall be made
172 by a resolution adopted by ~~such~~the board of education.

173 (b) The provisions of this section shall ~~in no way not~~
174 annul or reduce exemptions provided under any other provisions
175 of the Constitution and laws of Alabama."

176 "§40-9-21

177 (a) (1) In addition to the ~~persons~~individuals and
178 property exempt from ad valorem taxation as prescribed in
179 Section 40-9-1, the following shall also be exempt from ad
180 valorem taxation: The principal residence and 160 acres
181 adjacent thereto of any ~~person~~individual who is:

182 a. is permanently and totally disabled; ~~or who~~

183 b. is 65 years of age or older ~~having~~and has a net
184 annual taxable income of twelve thousand dollars (\$12,000) or
185 less, as shown on such ~~person~~individual's and spouse's latest
186 United States income tax return or some other appropriate
187 evidence acceptable to the department; or

188 c. the unremarried widow or widower of a decedent
189 exempt pursuant to this section at his or her death. This
190 paragraph shall only apply:

191 1. To the homestead claimed by the decedent at the time
192 of his or her death; and

193 2. If the name of the unremarried widow or widower is
194 on the deed of the property.

195 (2) a. In the event that such person and spouse areAn
196 individual that is not required to file a United States income



**House Ways and Means Education Reported Substitute
for HB226**

197 tax return, ~~then~~ may file an affidavit indicating that the net
198 taxable income of ~~such person~~ the individual and spouse for the
199 preceding taxable year was twelve thousand dollars (\$12,000)
200 or less. This affidavit shall be sufficient proof for
201 paragraph (a) (1)b.

202 b. An individual shall furnish proof ~~Proof~~ of age ~~shall~~
203 ~~be furnished~~ when seeking an ~~the~~ exemption under paragraph
204 (a) (1)b. ~~provided herein is claimed.~~

205 (3) ~~On and after May 22, 2013, if~~ If a permanently and
206 totally disabled ~~person~~ individual does not qualify for the
207 exemption under this section, and has not previously submitted
208 written certification of such permanent and total disability
209 by any two physicians licensed to practice in this state, he
210 or she may submit as proof of permanent and total disability
211 affidavits from two physicians licensed to practice in this
212 state, provided that at least one of these physicians is
213 actively providing treatment directly related to the permanent
214 and total disability of the ~~person~~ individual seeking the
215 exemption; provided, however, this requirement shall not apply
216 to any ~~person~~ individual receiving the exemption on May 22,
217 2013.

218 (4) As provided under this section, any ~~person~~
219 individual who is drawing any pension or annuity from the
220 armed services or a company or governmental agency because he
221 or she is permanently and totally disabled shall automatically
222 be granted a certificate of permanent and total disability by
223 the department.

224 (5) ~~In order to~~ To qualify for exemption under this



House Ways and Means Education Reported Substitute for HB226

225 section, the property must be a single-family home owned and
226 occupied during the tax year as the principal residence of the
227 ~~person~~ individual qualifying under this section.

228 (b) The ~~department~~ Department of Revenue shall by rule
229 establish the criteria and proof required for an exemption in
230 this section based upon ~~an person~~ individual being
231 "permanently and totally disabled" and shall issue
232 certificates of disability to any ~~person~~ individual that meets
233 such criteria and provides the required proof. The rule shall
234 provide that any ~~person~~ individual who is drawing any pension
235 or annuity from the ~~armed services~~ United States Armed Forces,
236 a private company, or any governmental agency because he or
237 she is permanently and totally disabled shall automatically be
238 granted a certificate of permanent and total disability by the
239 department."

240 Section 2. The provisions of this act apply to tax
241 years beginning on or after January 1, 2026.

242 Section 3. The Department of Revenue may adopt rules to
243 implement this act.

244 Section 4. This act shall become effective on January
245 1, 2026.