

HB96 ENROLLED



1 HB96
2 KHETBU5-2
3 By Representative Pringle
4 RFD: Ways and Means Education
5 First Read: 13-Jan-26
6 PFD: 17-Dec-25



HB96 Enrolled

1 Enrolled, An Act,

2
3 Relating to homestead exemptions; to amend Sections
4 6-10-1 and 6-10-2, Code of Alabama 1975; to increase the
5 homestead exemption to fifty-six thousand four hundred dollars
6 (\$56,400) for residents over 62 years of age and individuals
7 with disabilities; to require the exemption amounts in
8 bankruptcy cases be determined by the exemption in effect on
9 the petition date; to revise Sections 6-10-38 and 6-10-40,
10 Code of Alabama 1975, to make conforming changes; and to make
11 nonsubstantive, technical revisions to update the existing
12 code language to current style.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Sections 6-10-1 and 6-10-2, Code of Alabama
15 1975 are amended to read as follows:

16 "§6-10-1

17 (a) Except as provided in subsection (b), The the right
18 of to a homestead or other exemption shall be governed by the
19 law in-force effect when the debt or demand was created, but
20 the mode or remedy procedures or remedies for asserting,
21 ascertaining, contesting, and determining claims thereto shall
22 be as prescribed in this chapter.

23 (b) For any case filed under the United States
24 Bankruptcy Code, Title 11 U.S.C., the amount of the debtor's
25 homestead or other exemption, as provided by this chapter,
26 shall be governed by the law in effect as of the date the
27 bankruptcy petition is filed."

28 "§6-10-2



HB96 Enrolled

29 (a) The homestead of every resident of this state,~~with~~
30 ~~the~~ including improvements and appurtenances, ~~not exceeding~~
31 which does not exceed 160 acres in size and is value no more
32 than:~~in value~~ (i) fifteen thousand dollars (\$15,000); or (ii)
33 fifty-six thousand four hundred dollars (\$56,400) if the
34 resident is either 62 years of age or older or an individual
35 with a disability, shall be exempt from levy, sale, execution
36 or other process for debt collection during his or her
37 lifetime and occupancy~~and in area 160 acres, shall be;~~ to the
38 extent of any interest he or she may have ~~therein~~ in the
39 property, whether a fee simple or less estate ~~or whether held~~
40 ~~in common or in severalty~~ held individually or jointly.~~r~~
41 ~~exempt from levy and sale under execution or other process for~~
42 ~~the collection of debts during his or her life and occupancy~~
43 ~~and, if~~ If he or she leaves ~~surviving him or her~~ a surviving
44 spouse and a minor child, or children, or either, the
45 exemption applies during the~~life~~ lifetime of the surviving
46 spouse and minority of the child, or children, but ~~the area~~
47 size of the homestead shall not be ~~enlarged by reason of~~
48 increased due to any encumbrance ~~thereon~~ on the property or of
49 ~~the character~~ nature of the estate or interest ~~owned therein~~
50 ~~by him or her~~ he or she owns. When a husband and wife jointly
51 ~~own a homestead~~ is jointly owned, each owner is entitled to
52 ~~claim separately~~ the exemption separately ~~provided herein,~~ to
53 the same extent and value as an unmarried individual. For
54 purposes of this section and Sections 6-10-38 and 6-10-40, a
55 mobile home or similar dwelling ~~if~~ used as the principal ~~place~~
56 ~~of~~ residence of the individual claiming the exemption shall be



HB96 Enrolled

57 ~~deemed to be~~ considered a homestead.

58 (b) For the purposes of this section, "individual with
59 a disability" has the same meaning as the term is defined in
60 Section 21-7-1. Proof of disability shall include any of the
61 following:

62 (1) A disability determination letter from: (i) the
63 armed services; (ii) a state or federal government agency;
64 (iii) a private insurer; or (iv) a workers compensation
65 settlement agreement.

66 (2) Receipt of benefits resulting from a disability
67 determination in subdivision (1).

68 (3) Written and sworn affidavits of two physicians
69 licensed to practice medicine in Alabama who certify the
70 disability, provided that at least one of the physicians is
71 actively providing treatment directly related to the
72 disability of the individual seeking the exemption. Physician
73 affidavits must be on a form prescribed by the Alabama
74 Department of Revenue for seeking an ad valorem exemption
75 pursuant to Section 40-9-21."

76 Section 2. Sections 6-10-38 and 6-10-40, Code of
77 Alabama 1975, are amended to make conforming changes to read
78 as follows:

79 "§6-10-38

80 (a) (1) If, on the trial of a contest of a claim of
81 homestead exemption, it is found that the homestead as claimed
82 exceeds \$5,000 in value (or if a husband and wife have both
83 claimed the exemption to which each is entitled, \$10,000), or
84 160 acres in area, exceeds the value and size limits set forth



HB96 Enrolled

85 in this article, the court shall ~~forthwith~~ immediately issue
86 an order to the sheriff, returnable ~~in~~ no later than 30 days
87 ~~thereafter~~ from issuance, commanding him or her to summon
88 three disinterested householders or freeholders of the county
89 in which the homestead is ~~situated,~~ who located to serve as
90 commissioners. These individuals, after having been sworn by
91 the sheriff ~~or some officer~~ an authorized officer to
92 administer oaths to faithfully discharge their duty, ~~shall,~~ if
93 ~~practicable~~ possible, shall set off and ~~alot~~ define, by metes
94 and bounds, the homestead ~~exempt to the defendant~~ exempt from
95 levy and sale under process, ~~having regard~~ considering both to
96 the quality and value of the real estate ~~and to the selection~~
97 ~~of the defendant and taking land most contiguous to the~~
98 ~~dwelling, and including such,~~ the defendant's selection, and
99 the proximity to the dwelling, including the dwelling and
100 appurtenances. The commissioners, as soon as practicable,
101 ~~shall make return of the homestead so allotted and set off by~~
102 ~~them, in writing subscribed by them, to the sheriff,~~ shall
103 make a written report of the homestead they have allotted and
104 set off, signed by them, to the sheriff who shall ~~make due~~
105 ~~return thereof~~ submit the report to the court issuing the
106 order.; ~~and the~~ The homestead, ~~thus~~ once allotted and set off,
107 shall be released from the levy and the ~~residue of the~~
108 remaining land sold under the order of the court, ~~unless for~~
109 ~~good cause shown, the courts shall set aside the~~
110 ~~commissioners' return~~ unless the court finds good cause to set
111 aside the commissioners' report, in which event ~~another~~ a new
112 ~~order for summoning~~ to summon commissioners shall be issued.



HB96 Enrolled

113 (2) If the ~~commissioners~~ individuals summoned, to serve
114 as commissioners or any of them, shall fail to act, the
115 sheriff shall summon others to fill their places.

116 (b) If the homestead, after ~~having been~~ being reduced
117 to its lowest practicable area smallest practical size, still
118 exceeds in value \$5,000 (or if a husband and wife have both
119 claimed the exemption to which each is entitled, \$10,000) the
120 value exemption limits set forth in this article thereby
121 rendering it impracticable to allot and set ~~it~~ the parcel off
122 under subsection (a) of this section, the commissioners shall
123 so make ~~return~~ a report to the sheriff, ~~who~~ The sheriff
124 shall ~~thereupon~~ then proceed, as in other cases, to advertise
125 and offer the ~~same~~ property for sale under the process. If, at
126 the sale, he or she receives a bid ~~therefor~~ exceeding \$5,000
127 (or if a husband and wife have both claimed the exemption to
128 which each is entitled, \$10,000) ~~exceeding the value limits~~
129 set forth in this article, he or she shall sell the ~~same~~
130 property, and ~~of the purchase money \$5,000~~ an amount equal to
131 the exemption allowed under this article shall be paid to the
132 defendant ~~(or, divided between the spouses if a husband and~~
133 wife have both claimed the exemption, ~~\$5,000 paid to each), or~~
134 paid into the court for him or her, in lieu of the homestead, ~~and the~~
135 The excess only shall be applied to the satisfaction
136 of the ~~process~~ debt.; ~~but if~~ If there are no bids ~~no bid~~ in
137 excess of ~~the exemption allowed under this article, \$5,000 (or~~
138 if a husband and wife have both claimed the exemption to which
139 each is entitled, \$10,000) shall be received, the sheriff
140 shall discharge the levy at the plaintiff's cost and return



HB96 Enrolled

141 the process, ~~and thereafter~~ Subsequently, no process issued
142 to enforce the plaintiff's demand shall be levied on such
143 homestead so long as it ~~shall continue~~ continues as a
144 homestead, ~~except on the~~ by a written demand of the plaintiff
145 accompanied by an offer in writing to purchase the ~~same~~
146 homestead for an amount exceeding ~~\$5,000~~ ~~(or if a husband and~~
147 ~~wife have both claimed the exemption to which each is~~
148 ~~entitled, \$10,000)~~, ~~which~~ the exemption allowed under this
149 article. This offer must state the amount and, at the election
150 of the defendant, shall be binding on the plaintiff.

151 (c) When a sale is made under subsection (b) ~~of this~~
152 ~~section~~ and any defendant dies before receiving ~~their \$5,000~~
153 ~~standing in lieu of the homestead~~ his or her homestead
154 exemption payment, ~~the same payment~~ shall be paid to his or
155 her personal representative, who shall receive and hold ~~it~~ the
156 exemption payment subject to the homestead rights of the
157 defendant's surviving spouse and minor child or children, or
158 ~~either, if there be such; but, if there be none such, If~~
159 there is no surviving spouse or minor children, the personal
160 representative shall first apply ~~the same~~ exemption payment to
161 the payment of the ~~demand for the enforcement of which the~~
162 ~~process issued,~~ debt and the balance he or she shall
163 administer as personal assets of the estate."

164 "§6-10-40

165 When the homestead, after being reduced to the lowest
166 ~~practicable practical~~ practical area, exceeds ~~\$5,000 in value~~ the
167 exemption amount allowed under this article and the husband or
168 wife has ~~aliened the same~~ transferred the property by deed,



HB96 Enrolled

169 mortgage, or other conveyance without the spouse's voluntary
170 signature and ~~assent of the spouse, shown and acknowledged as~~
171 ~~required by law~~ legal acknowledgment, the ~~alienor~~ transferor,
172 ~~or, if he or she fails to act,~~ the spouse, ~~or, if there is no~~
173 ~~spouse or if he or she fails to act,~~ their minor child or
174 children may, ~~by filing~~ file a complaint, ~~to~~ to have the land
175 sold and the homestead interest separated from that of the
176 ~~alienee~~ transferee."

177 Section 3. This act shall become effective on June 1,
178 2026.

HB96 Enrolled



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 20-Jan-26.

John Treadwell
Clerk

Senate

26-Feb-26

Passed