## HB259 INTRODUCED



1 R5A9NM-1

2 By Representative Wilcox

3 RFD: State Government

4 First Read: 05-Apr-23

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## SYNOPSIS:

Under existing law, an industrial or research enterprise that receives an ad valorem tax abatement may appeal a county's tax assessment based on the enterprise's method for calculating the fair market value of its property and may consider obsolescence as part of its calculation.

This bill would limit an industrial or research enterprise tax abatement recipient to using the same method used by the county for calculating the fair market value of its property when appealing the county's ad valorem tax assessment.

This bill would also prohibit the consideration of obsolescence in determining the fair market value of an industrial or research enterprise's property, for the duration of any period that the enterprise receives a tax abatement.

TO BE ENTITLED

25 AN ACT

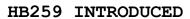
Relating to tax abatements; to specify that the method of determining fair market value of real or personal property

A BILL

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- 29 by a tax abatement recipient appealing an ad valorem tax
- 30 assessment in circuit court shall be the same method used by
- 31 the county granting the tax abatement; and to exclude
- 32 consideration of obsolescence in determining fair market
- 33 valuation of real or personal property for the duration of an
- 34 abatement.
- 35 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
- 36 Section 1. For purposes of this section, the following
- 37 words have the following meanings:
- 38 (1) ECONOMIC OBSOLESCENCE. The loss of value of real or
- 39 personal property caused by factors external to the property.
- 40 (2) FUNCTIONAL OBSOLESCENCE. The loss of value in real
- or personal property caused by a reduction of its usefulness
- 42 or desirability because of an outdated design feature that
- 43 cannot be easily changed or updated.
- Section 2. (a) In an appeal in circuit court by a
- 45 industrial or research enterprise challenging assessed ad
- 46 valorem taxes based on the county's determination of fair
- 47 market value of its industrial development property, the
- industrial or research enterprise shall use the same method
- 49 used by the county for determining the fair market value of
- its industrial development property.
- 51 (b) During the entire period of any abatement, no form
- 52 of obsolescence shall be considered in any fair market
- valuation of industrial development property, including,
- 54 without limitation, functional or economic obsolescence.
- Section 3. This act shall become effective on the first
- day of the third month following its passage and approval by





57 the Governor, or its otherwise becoming law.