

1 HB179
2 126602-1
3 By Representatives Williams (J), Canfield, Hubbard (M),
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6 Johnson (K), Merrill, Jones, Beckman, Long, Boman, Baughn,
7 Patterson and Roberts
8 RFD: Commerce and Small Business
9 First Read: 08-MAR-11

SYNOPSIS: This bill expands and clarifies the definition of residential property to include single family dwellings and lots under construction for a period of two years.

A BILL
TO BE ENTITLED
AN ACT

To amend Section 40-8-1, Code of Alabama 1975, relating to classification of property for ad valorem tax purposes, to expand and clarify the definition of residential property to include single family dwellings and lots under construction for a period of time.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-8-1, Code of Alabama 1975, is amended to read as follows:

"§40-8-1.

"(a) On and after October 1, 1978, with respect to ad valorem taxes levied by the state, and, unless otherwise

1 provided, with respect to ad valorem taxes levied by a county,
2 municipality, or other taxing authority other than the state,
3 all taxable property shall be divided into the following
4 classes and no other and shall be assessed for ad valorem tax
5 purposes at the following ratios of assessed value to the fair
6 and reasonable market value of such property, or, as may be
7 provided by law, to the current use value of such property:

8 "CLASS I. All property of utilities used in the
9 business of such utilities, 30 percent.

10 "CLASS II. All property not otherwise classified, 20
11 percent.

12 "CLASS III. All agricultural, forest, and
13 residential property, and historic buildings and sites, 10
14 percent.

15 "CLASS IV. All private passenger automobiles and
16 motor trucks of the type commonly known as "pickups" or
17 "pickup trucks" owned and operated by an individual for
18 personal or private use and not for hire, rent, or
19 compensation, 15 percent.

20 "(b) As used herein, the following terms shall have
21 the following meanings, respectively, unless the context
22 clearly indicates otherwise:

23 "(1) AGRICULTURAL AND FOREST PROPERTY. All real
24 property used for raising, harvesting, and selling crops or
25 for the feeding, breeding, management, raising, sale of, or
26 the production of livestock, including beef cattle, sheep,
27 swine, horses, ponies, mules, poultry, fur-bearing animals,

1 honeybees, and fish, or for dairying and the sale of dairy
2 products, or for the growing and sale of timber and forest
3 products, or any other agricultural or horticultural use or
4 animal husbandry and any combination thereof.

5 "(2) HISTORIC BUILDINGS AND SITES. Regardless of the
6 use to which such property is put, all buildings or structures
7 (i) determined eligible by the state historic preservation
8 officer for listing on the National Register of Historic
9 Places; or (ii) located in a registered historic district and
10 certified by the United States Secretary of the Interior as
11 being of historic significance to the district.

12 "(3) PRIVATE PASSENGER AUTOMOBILES AND MOTOR TRUCKS
13 OF THE TYPE COMMONLY KNOWN AS "PICKUPS" OR "PICKUP TRUCKS"
14 OWNED AND OPERATED BY AN INDIVIDUAL FOR PERSONAL OR PRIVATE
15 USE AND NOT FOR HIRE, RENT, OR COMPENSATION. All private
16 passenger automobiles, as that term is defined in Sections
17 40-12-240, subdivision (12), and 40-12-241; and all motor
18 trucks of the type commonly known as "pickups" or "pickup
19 trucks," weighing not exceeding 8,000 pounds gross weight.

20 "(4) PROPERTY NOT OTHERWISE CLASSIFIED. All real and
21 personal property which does not fall within any one or more
22 of Classes I, III, and IV.

23 "(5) PROPERTY OF UTILITIES. All property assessed
24 for taxation by the Department of Revenue pursuant to the
25 provisions of Chapter 21 of this title; provided, that after
26 September 30, 1979, and only to the extent required by Title
27 III, §306 of Pub. L. 94-210 (the Railroad Revitalization and

1 Regulatory Reform Act of 1976, codified as 49 U.S.C. §26c),
2 "transportation property," as that term is defined in the
3 aforesaid statute, as heretofore or hereafter amended, or in
4 any subsequent statute of similar import, shall not be
5 assessed as Class I property and customer-owned coin-operated
6 telephone companies shall not be assessed as Class I property.

7 "(6) RESIDENTIAL PROPERTY. ~~Only real~~ Real property,
8 used by the owner thereof exclusively as the owner's
9 single-family dwelling. This includes an owner who resides on
10 the property and remains in possession of the property after
11 it is sold at a tax sale. Residential property shall include
12 single-family dwellings and the underlying lot, under
13 construction and after construction, until sold or used for a
14 purpose other than as the owner's single-family dwelling for a
15 period not to exceed 24 months from the date construction
16 begins.

17 "(c) Wherever any statute provides for, limits, or
18 measures the power or authority of any county, municipality,
19 or other taxing authority to levy taxes, borrow money, or
20 incur indebtedness in relation to the assessment of property
21 therein for state taxes or for state and county taxes, such
22 provision shall mean as assessed for county or municipal
23 taxes.

24 "(d) The following property shall be exempted from
25 ad valorem taxation: The real and personal property of the
26 state, counties, and municipalities and real and personal
27 property devoted exclusively to religious, education, or

1 charitable purposes. The property of Masonic lodges, Knights
2 of Columbus homes, and union halls shall be exempt when used
3 exclusively for the purposes and business of such
4 organizations. All property now exempt by law shall continue
5 to be exempt from taxation until changed by law.

6 "(e) The Department of Revenue shall have authority
7 to promulgate rules and regulations for the uniform
8 identification and assessment of manufactured homes."

9 Section 2. All laws or parts of laws which conflict
10 with this act are repealed.

11 Section 3. This act shall become effective on the
12 first day of the third month following its passage and
13 approval by the Governor, or its otherwise becoming law.