

1 HB179
2 126602-3
3 By Representatives Williams (J), Canfield, Hubbard (M),
4 Gaston, McCutcheon, Hill, McClendon, Bridges, Sanderford,
5 DeMarco, Love, Clouse, Hammon, Moore (B), McMillan, Johnson
6 (K), Merrill, Jones, Beckman, Long, Boman, Baughn, Patterson
7 and Roberts
8 RFD: Commerce and Small Business
9 First Read: 08-MAR-11

1 ENGROSSED

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4 A BILL
5 TO BE ENTITLED
6 AN ACT
7

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

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. This act shall be known and may be cited
15 as the Homeowners and Storm Victims Protection Act of 2011.

16 Section 2. Section 40-8-1, Code of Alabama 1975, is
17 amended to read as follows:

18 "§40-8-1.

19 "(a) On and after October 1, 1978, with respect to
20 ad valorem taxes levied by the state, and, unless otherwise
21 provided, with respect to ad valorem taxes levied by a county,
22 municipality, or other taxing authority other than the state,
23 all taxable property shall be divided into the following
24 classes and no other and shall be assessed for ad valorem tax
25 purposes at the following ratios of assessed value to the fair

1 and reasonable market value of such property, or, as may be
2 provided by law, to the current use value of such property:

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

5 "CLASS II. All property not otherwise classified, 20
6 percent.

7 "CLASS III. All agricultural, forest, and
8 residential property, and historic buildings and sites, 10
9 percent.

10 "CLASS IV. All private passenger automobiles and
11 motor trucks of the type commonly known as "pickups" or
12 "pickup trucks" owned and operated by an individual for
13 personal or private use and not for hire, rent, or
14 compensation, 15 percent.

15 "(b) As used herein, the following terms shall have
16 the following meanings, respectively, unless the context
17 clearly indicates otherwise:

18 "(1) AGRICULTURAL AND FOREST PROPERTY. All real
19 property used for raising, harvesting, and selling crops or
20 for the feeding, breeding, management, raising, sale of, or
21 the production of livestock, including beef cattle, sheep,
22 swine, horses, ponies, mules, poultry, fur-bearing animals,
23 honeybees, and fish, or for dairying and the sale of dairy
24 products, or for the growing and sale of timber and forest
25 products, or any other agricultural or horticultural use or
26 animal husbandry and any combination thereof.

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

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

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

19 "(5) PROPERTY OF UTILITIES. All property assessed
20 for taxation by the Department of Revenue pursuant to the
21 provisions of Chapter 21 of this title; provided, that after
22 September 30, 1979, and only to the extent required by Title
23 III, §306 of Pub. L. 94-210 (the Railroad Revitalization and
24 Regulatory Reform Act of 1976, codified as 49 U.S.C. §26c),
25 "transportation property," as that term is defined in the
26 aforesaid statute, as heretofore or hereafter amended, or in

1 any subsequent statute of similar import, shall not be
2 assessed as Class I property and customer-owned coin-operated
3 telephone companies shall not be assessed as Class I property.

4 "(6) RESIDENTIAL PROPERTY. ~~Only real~~ Real property,
5 used by the owner thereof exclusively as the owner's
6 single-family dwelling. This includes an owner who resides on
7 the property and remains in possession of the property after
8 it is sold at a tax sale. Residential property shall include
9 single-family dwellings and the underlying lot, under
10 construction and after construction, until sold or used for a
11 purpose other than as the owner's single-family dwelling for a
12 period not to exceed 24 months from the date construction
13 begins. Residential property shall also include a residential
14 lot from the time an official plat identifies the property for
15 use as a residence. For the purposes of this subsection, the
16 date construction begins shall be the date the construction
17 materials are first delivered to or are otherwise placed on
18 the lot. The single-family dwelling may be classified as
19 residential property, rather than Class II, as authorized by
20 this amendatory act based on the property owner filing
21 documentary evidence of the date construction begins pursuant
22 to rules promulgated by the Department of Revenue which rules
23 shall include what documents may be accepted as proof of the
24 date construction begins. The property shall be classified as
25 Class II property until approved documentation is properly
26 filed with the tax assessing official pursuant to the rules of

1 the department. The authorization for the property to be
2 classified as residential property shall not exempt the
3 property from the provisions of Section 40-7-25.3, which shall
4 apply to all property seeking the classification as
5 residential property authorized by this amendatory act.

6 "(c) Wherever any statute provides for, limits, or
7 measures the power or authority of any county, municipality,
8 or other taxing authority to levy taxes, borrow money, or
9 incur indebtedness in relation to the assessment of property
10 therein for state taxes or for state and county taxes, such
11 provision shall mean as assessed for county or municipal
12 taxes.

13 "(d) The following property shall be exempted from
14 ad valorem taxation: The real and personal property of the
15 state, counties, and municipalities and real and personal
16 property devoted exclusively to religious, education, or
17 charitable purposes. The property of Masonic lodges, Knights
18 of Columbus homes, and union halls shall be exempt when used
19 exclusively for the purposes and business of such
20 organizations. All property now exempt by law shall continue
21 to be exempt from taxation until changed by law.

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

25 "(f) In the event an owner's single-family dwelling
26 is destroyed or damaged to the extent that the dwelling is

1 uninhabitable, the property shall retain its classification as
2 residential property while the dwelling is being rebuilt or
3 restored to an inhabitable state for a period of not to exceed
4 24 months from the date of the destruction or damage. If the
5 destroyed or damaged dwelling is not rebuilt or restored to an
6 inhabitable state as the owner's single-family dwelling within
7 24 months from the date of the destruction or damage or the
8 property is converted at any time to a use other than as the
9 owner's single-family dwelling, the property shall lose its
10 classification as residential property.

11 "The owner may request an extension not to exceed an
12 additional 24 months upon submission of proof that the work
13 necessary to rebuild or restore the destruction or damage
14 could not be contracted or if contracted could not be
15 completed within 24 months from the date of the destruction or
16 damage."

17 Section 3. All laws or parts of laws which conflict
18 with this act are repealed.

19 Section 4. This act shall become effective on the
20 first day of the third month following its passage and
21 approval by the Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Commerce and
Small Business..... 08-MAR-11

Read for the second time and placed
on the calendar 1 amendment 24-MAR-11

Read for the third time and passed
as amended..... 03-MAY-11

Yeas 95, Nays 0, Abstains 0

Greg Pappas
Clerk