

HB397 INTRODUCED



1 HB397

2 11R14LL-1

3 By Representatives Crawford, Whitt, Underwood, Sorrells,

4 Marques, Brown, Smith, Rehm, Whorton, Robertson, Ingram

5 RFD: Ways and Means General Fund

6 First Read: 05-Feb-26



1
2
3

4 SYNOPSIS:

5 Under existing law, the homesteads of certain
6 individuals whose annual income is below a fixed amount
7 are exempt from ad valorem tax.

8 This bill would increase this annual income cap.

9 This bill would also extend this exemption to
10 the unremarried widow or widower of those individuals.

11

12

13 A BILL

14 TO BE ENTITLED

15 AN ACT

16

17 Relating to ad valorem tax; to amend Sections 40-9-19,
18 40-9-19.1, and 40-9-21, Code of Alabama 1975, regarding
19 homestead exemptions; to allow the unremarried widow or
20 widower of certain individuals to claim the exemption; to
21 increase the adjusted income cap; and to make nonsubstantive,
22 technical revisions to update the existing code language to
23 current style.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Sections 40-9-19, 40-9-19.1, and 40-9-21,
26 Code of Alabama 1975, are amended to read as follows:

27 "§40-9-19

28 (a) (1) Homesteads, as defined by the Constitution and



29 laws of Alabama, are exempt from all state ad valorem taxes.
30 ~~In no case shall the~~ The exemption shall not apply to more than
31 one ~~person~~individual or head of the family, nor shall the
32 exemption exceed four thousand dollars (\$4,000) in assessed
33 value or 160 acres in area for any resident of this state who
34 is not over 65 years of age.

35 (2) The ~~homestead~~homesteads of ~~a resident~~residents of
36 this state, ~~shall be exempt from all state ad valorem taxes if~~
37 the individual is:

38 a. ~~Over~~over 65 years of age;

39 b. ~~Retired, or who are retired~~ due to permanent and
40 total disability, regardless of age;

41 c. ~~Blind, or who are blind~~ as defined in Section 1-1-3,
42 regardless of age or whether ~~the individual~~such person is
43 retired; or

44 d. The unremarried widow or widower of a decedent
45 exempt pursuant to this subsection at his or her death~~shall~~
46 ~~be exempt from all state ad valorem taxes. This paragraph~~
47 shall only apply:

48 1. To the homestead claimed by the decedent at the time
49 of his or her death;

50 2. If the name of the unremarried widow or widower is
51 on the deed of the property; and

52 3. If the annual adjusted gross income of the
53 unremarried widow or widower does not exceed one hundred fifty
54 thousand dollars (\$150,000).

55 (3) The ~~state~~ Commissioner of Revenue may define and
56 specify the condition or state of health that makes ~~a person~~



57 an individual "permanently and totally disabled" and may issue
58 certificates of disability to the ~~person~~individual as he or
59 she may find meets such specifications. Any ~~person~~individual
60 who is drawing any pension or annuity from the United States
61 Armed Forces~~armed services~~ or a company or governmental agency
62 as being permanently and totally disabled shall automatically
63 be granted a certificate of permanent and total disability by
64 the ~~state~~ Commissioner of Revenue.

65 (b) For ~~tax years beginning on and after October 1,~~
66 ~~1981, for~~ residents of this state not over 65 years of age,
67 homesteads, as defined by the Constitution and laws of
68 Alabama, are exempt from all ad valorem property taxes levied,
69 except countywide and school district ad valorem taxes levied
70 for school purposes, by any county of this state. ~~In no case~~
71 ~~shall the~~The exemption shall not apply to more than one
72 personindividual or head of the family, nor shall the
73 exemption exceed two thousand dollars (\$2,000) in assessed
74 value or 160 acres in area for any resident of this state who
75 is not over 65 years of age except as provided in subsection
76 (c).

77 (c) ~~For tax years beginning on and after October 1,~~
78 ~~1981, the~~The governing body of any county, municipality, or
79 other local taxing authority may ~~at any time~~ grant by
80 resolution or ordinance an exemption from any levy of ad
81 valorem property taxes levied by ~~such~~the county, municipality,
82 or other local taxing authority on homesteads, as defined by
83 the Constitution and laws of Alabama, of residents of this
84 state not over 65 years of age. In no case shall ~~such~~the



85 exemption allowed in this section apply to more than one
86 ~~person~~individual or head of the family, nor shall the
87 exemption, when added to any other homestead exemption
88 applicable to the same ad valorem tax levy, exceed four
89 thousand dollars (\$4,000) in assessed value or 160 acres in
90 area. Any homestead exemption granted pursuant to this
91 subsection ~~(e)~~ may be adjusted, rescinded, or reinstated at
92 any time by resolution or ordinance of the governing body of
93 the county, municipality, or other local taxing authority
94 granting such exemption. Any action authorized by this
95 subsection to be taken by a taxing authority, or the governing
96 body thereof, other than in the case of a municipality, shall
97 be taken by resolution of the governing body of the county in
98 which ~~such~~the taxing authority is located acting on behalf of
99 ~~such~~the taxing authority; provided, however, any action
100 authorized by this subsection to be taken by a taxing
101 authority, or the governing body thereof, which action shall
102 affect countywide or district ad valorem taxes levied solely
103 for the support of county or city school districts, shall be
104 taken by resolutions of the governing bodies and boards of the
105 school systems that are recipients of the proceeds of the ad
106 valorem tax ~~so~~ affected by ~~such~~the action. This subsection
107 shall ~~in no way~~not annul or reduce exemptions provided under
108 subsections (a), (b), and (d).

109 (d) (1) For tax years beginning on and after October 1,
110 1981, for Homesteads, as defined in the Constitution and laws
111 of Alabama, of residents of this state are exempt from ad
112 valorem property taxes levied by any county of this state,



113 including ad valorem taxes levied for school districts, if the
114 individual is:

115 a. over~~Over~~ 65 years of age ~~who have and has~~ an annual
116 adjusted gross income of ~~less than \$12,000~~sixteen thousand
117 dollars (\$16,000) or less, as reflected on the most recent
118 state income tax return or some other appropriate evidence~~r~~;

119 b. or who are retired~~Retired~~ due to permanent and
120 total disability, regardless of age~~r~~;

121 c. or who are blind~~Blind~~ as defined in Section 1-1-3,
122 regardless of age or whether ~~such person~~the individual is
123 retired~~r~~; or

124 d. The unremarried widow or widower of a decedent
125 exempt pursuant to this subsection at his or her death
126 ~~homesteads, as defined in the Constitution and laws of~~
127 ~~Alabama, are exempt from ad valorem property taxes levied by~~
128 ~~any county of this state, including such taxes levied for~~
129 ~~school districts. This paragraph shall only apply:~~

130 1. To the homestead claimed by the decedent at the time
131 of his or her death;

132 2. If the name of the unremarried widow or widower is
133 on the deed of the property; and

134 3. If the annual adjusted gross income of the
135 unremarried widow or widower does not exceed one hundred fifty
136 thousand dollars (\$150,000).

137 (2) In no case shall the exemption exceed five thousand
138 dollars (\$5,000) in assessed value or 160 acres in area. With
139 respect to homesteads situated in more than one county, the
140 exemption shall be prorated between the counties in which the



141 homestead is situated in the proportion that the area of the
142 homestead in each county bears to the total area of the
143 homestead claimed for exemption.

144 (3) The Department of Revenue, by rule, may define and
145 specify the condition or state of health that makes ~~a person~~an
146 individual "permanently and totally disabled" and may issue
147 certificates of disability to any ~~person~~individual that meets
148 suchthe specifications. Any ~~person~~individual who is drawing
149 any pension or annuity from the ~~armed services~~United States
150 Armed Forces, a private company, or any governmental agency
151 because he or she is permanently and totally disabled shall
152 automatically be granted a certificate of permanent and total
153 disability by the Department of Revenue.

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

158 (f) Any homestead exemption under this section or
159 Section 40-9-21 shall not be affected during any period the
160 homestead is being repaired after being damaged by a natural
161 disaster such as a tornado or hurricane."

162 "§40-9-19.1

163 (a) (1) The governing body of any municipality~~may~~, upon
164 the request of the board of education of suchthe municipality,
165 may grant, by resolution, an exemption in whole or in part
166 from the increased portion of any ad valorem property tax
167 which has been increased pursuant to the procedures specified
168 in ~~paragraph~~subdivision (f) of ~~Amendment No. 373~~Section 217



169 ~~to of~~ the Constitution of Alabama of ~~1901~~2022 for public school
170 purposes, on ~~the homesteads~~homestead of ~~residents~~a resident of
171 ~~such~~the municipality who is:

172 a. ~~over~~Over 65 years of age~~i~~r

173 b. ~~or who are retired~~Retired due to permanent and
174 total disability, regardless of age~~i~~r

175 c. ~~or who are blind~~Blind, as defined in Section 1-1-3,
176 regardless of age or whether ~~such person~~the individual is
177 retired~~;~~ or

178 d. The unremarried widow or widower of a decedent
179 exempt pursuant to this section at his or her death. This
180 paragraph shall only apply:

181 1. To the homestead claimed by the decedent at the time
182 of his or her death;

183 2. If the name of the unremarried widow or widower is
184 on the deed of the property; and

185 3. If the annual adjusted income of the unremarried
186 widow or widower does not exceed one hundred fifty thousand
187 dollars (\$150,000).

188 (2) Any homestead exemption granted pursuant to this
189 section may be adjusted, rescinded,or reinstated at any time
190 upon the request of the board of education of ~~such~~the
191 municipality by resolution of the governing body of ~~such~~the
192 municipality. Any request made by a board of education
193 regarding an exemption pursuant to this section shall be made
194 by a resolution adopted by ~~such~~the board of education.

195 (b) The provisions of this section shall ~~in no way~~not
196 annul or reduce exemptions provided under any other provisions



197 of the Constitution and laws of Alabama."

198 "§40-9-21

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

204 a. ~~permanently~~Permanently and totally disabled;

205 b. ~~or who is Over~~ 65 years of age ~~or older having and~~
206 has a net annual taxable income of ~~twelve thousand dollars~~
207 ~~(\$12,000)~~sixteen thousand dollars (\$16,000) or less, as shown
208 on ~~such person's~~the individual's and spouse's latest United
209 States income tax return or some other appropriate evidence
210 acceptable to the department; or

211 c. The unremarried widow or widower of the decedent
212 exempt pursuant to this section at his or her death. This
213 paragraph shall only apply:

214 1. To the homestead claimed by the decedent at the time
215 of his or her death;

216 2. If the name of the unremarried widow or widower is
217 on the deed of the property; and

218 3. If the annual adjusted gross income of the
219 unremarried widow or widower does not exceed one hundred fifty
220 thousand dollars (\$150,000).

221 (2) a. ~~In the event that such person and spouse are~~An
222 individual that is not required to file a United States income
223 tax return, ~~then~~ may file an affidavit indicating that the net
224 taxable income of ~~such person~~the individual and spouse for the

HB397 INTRODUCED



225 preceding taxable year was ~~twelve~~sixteen thousand dollars
226 ~~(\$12,000)~~(\$16,000) or less. This affidavit shall be sufficient
227 proof for paragraph (a) (1)b.

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

231 (3) On and after May 22, 2013, ifIf a permanently and
232 totally disabled ~~person~~individual does not qualify for the
233 exemption under this section, and has not previously submitted
234 written certification of such permanent and total disability
235 by any two physicians licensed to practice in this state, he
236 or she may submit as proof of permanent and total disability
237 affidavits from two physicians licensed to practice in this
238 state, provided that at least one of these physicians is
239 actively providing treatment directly related to the permanent
240 and total disability of the ~~person~~individual seeking the
241 exemption; provided, however, this requirement shall not apply
242 to any ~~person~~individual receiving the exemption on May 22,
243 2013.

244 (4) As provided under this section, any
245 ~~person~~individual who is drawing any pension or annuity from
246 the ~~armed services~~United States Armed Forces or a company or
247 governmental agency because he or she is permanently and
248 totally disabled shall automatically be granted a certificate
249 of permanent and total disability by the department.

250 (5) In order to~~To~~ qualify for exemption under this
251 section, the property must be a single-family home owned and
252 occupied during the tax year as the principal residence of the

HB397 INTRODUCED



253 ~~person~~individual qualifying under this section.

254 (b) The ~~department~~Department of Revenue, ~~shall~~by rule,
255 ~~shall~~ establish the criteria and proof required for an
256 exemption in this section based upon ~~a~~personan individual
257 being "permanently and totally disabled" and shall issue
258 certificates of disability to any ~~person~~individual that meets
259 such criteria and provides the required proof. The rule shall
260 provide that any ~~person~~individual who is drawing any pension
261 or annuity from the ~~armed services~~United States Armed Forces,
262 a private company, or any governmental agency because he or
263 she is permanently and totally disabled shall automatically be
264 granted a certificate of permanent and total disability by the
265 department."

266 Section 2. The provisions of this act apply to tax
267 years beginning on or after January 1, 2027.

268 Section 3. The Department of Revenue may adopt rules to
269 implement this act.

270 Section 4. This act shall become effective on June 1,
271 2026.