

1 HB24
2 112895-1
3 By Representative Mitchell
4 RFD: Government Appropriations
5 First Read: 12-JAN-10
6 PFD: 09/23/2009

2
3
4
5
6
7
8 SYNOPSIS: Currently, the homestead exemption granted
9 property owners may not exceed \$4,000 in assessed
10 value.

11 This bill would increase the homestead
12 exemption by 6 percent.

13
14 A BILL
15 TO BE ENTITLED
16 AN ACT

17
18 To amend Section 40-9-19, Code of Alabama 1975,
19 relating to the homestead exemption, to increase the homestead
20 exemption by 6 percent.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Section 40-9-19, Code of Alabama 1975, is
23 amended to read as follows:

24 "§40-9-19.

25 "(a) Homesteads, as defined by the Constitution and
26 laws of Alabama, are hereby exempted from all state ad valorem
27 taxes. In no case shall the exemption herein made apply to

1 more than one person, head of the family, nor shall the ~~said~~
2 exemption exceed ~~\$4,000~~ four thousand two hundred forty
3 dollars (\$4,240) in assessed value, nor 160 acres in area for
4 any resident of this state who is not over 65 years of age.
5 The homesteads of residents of this state, over 65 years of
6 age, or who are retired due to permanent and total disability,
7 regardless of age, or who are blind as defined in Section
8 1-1-3, regardless of age or whether such person is retired,
9 shall be exempt from all state ad valorem taxes.

10 "The state Commissioner of Revenue is hereby
11 empowered to define and specify the condition or state of
12 health that makes a person "permanently and totally disabled"
13 and may issue certificates of disability to such person as he
14 or she may find meets such specifications. Any person who is
15 drawing any pension or annuity from the armed services or a
16 company or governmental agency as being permanently and
17 totally disabled shall automatically be granted a certificate
18 of permanent and total disability by the state Commissioner of
19 Revenue.

20 "(b) For tax years beginning on and after October 1,
21 1981, for residents of this state not over 65 years of age,
22 homesteads, as defined by the Constitution and laws of
23 Alabama, are hereby exempted from all ad valorem property
24 taxes levied, except countywide and school district ad valorem
25 taxes levied for school purposes, by any county of this state.
26 In no case shall such exemption herein made apply to more than
27 one person, head of the family, nor shall the ~~said~~ exemption

1 exceed ~~\$2,000~~ two thousand one hundred twenty dollars (\$2,120)
2 in assessed value, nor 160 acres in area for any resident of
3 this state who is not over 65 years of age except as provided
4 in subsection (c) of this section.

5 "(c) For tax years beginning on and after October 1,
6 1981, the governing body of any county, municipality or other
7 local taxing authority may at any time grant by resolution or
8 ordinance an exemption from any levy of ad valorem property
9 taxes levied by such county, municipality or other local
10 taxing authority on homesteads, as defined by the Constitution
11 and laws of Alabama, of residents of this state not over 65
12 years of age. In no case shall ~~such~~ the exemption herein
13 allowed apply to more than one person, head of the family, nor
14 shall ~~said~~ the exemption, when added to any other homestead
15 exemption applicable to the same ad valorem tax levy, exceed
16 ~~\$4,000~~ four thousand two hundred forty dollars (\$4,240) in
17 assessed value, nor 160 acres in area. Any homestead exemption
18 granted pursuant to this subsection (c) may be adjusted,
19 rescinded or reinstated at any time by resolution or ordinance
20 of the governing body of the county, municipality or other
21 local taxing authority granting such exemption. Any action
22 authorized by this subsection to be taken by a taxing
23 authority, or the governing body thereof, shall, other than in
24 the case of a municipality, be taken by resolution of the
25 governing body of the county in which such taxing authority is
26 located acting on behalf of such taxing authority; provided
27 however, any action authorized by this subsection to be taken

1 by a taxing authority, or the governing body thereof, which
2 action shall affect countywide or district ad valorem taxes
3 levied solely for the support of county or city school
4 districts, shall be taken by resolutions of the governing
5 bodies and boards of the school systems that are recipients of
6 the proceeds of the ad valorem tax so affected by such action.
7 The provisions of this subsection (c) shall in no way annul or
8 reduce exemptions provided under subsections (a), (b), and (d)
9 of this section.

10 "(d) For tax years beginning on and after October 1,
11 1981, for residents of this state, over 65 years of age who
12 have an annual adjusted gross income of less than \$12,000 as
13 reflected on the most recent state income tax return or some
14 other appropriate evidence, or who are retired due to
15 permanent and total disability, regardless of age, or who are
16 blind as defined in Section 1-1-3, regardless of age or
17 whether such person is retired, homesteads, as defined in the
18 Constitution and laws of Alabama, are hereby exempted from ad
19 valorem property taxes levied by any county of this state,
20 including such taxes levied for school districts. In no case
21 shall such exemption exceed ~~\$5,000~~ five thousand three hundred
22 dollars (\$5,300) in assessed value, nor 160 acres in area.
23 With respect to homesteads situated in more than one county,
24 the exemption granted herein shall be prorated between the
25 counties in which the homestead is situated in the proportion
26 that the area of the homestead in each county bears to the
27 total area of the homestead claimed for exemption.

1 "The Department of Revenue may by regulation define
2 and specify the condition or state of health that makes a
3 person "permanently and totally disabled" and may issue
4 certificates of disability to any person that meets such
5 specifications. Any person who is drawing any pension or
6 annuity from the armed services, a private company or any
7 governmental agency because he or she is permanently and
8 totally disabled shall automatically be granted a certificate
9 of permanent and total disability by the Department of
10 Revenue.

11 "(e) The grant of any homestead exemption provided
12 under the provisions of this section shall not be allowed if
13 such grant shall prevent the payment of any bonded
14 indebtedness secured by any tax to which the homestead
15 exemption would apply."

16 Section 2. This act shall become effective October
17 1, 2009, following its passage and approval by the Governor,
18 or its otherwise becoming law.