

1 HB400  
2 218011-3  
3 By Representative Kitchens  
4 RFD: Agriculture and Forestry  
5 First Read: 23-FEB-22

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ENROLLED, An Act,

Relating to exemptions from ad valorem taxation; to amend Section 40-9-1, Code of Alabama 1975; and to exempt grain bins from ad valorem taxation.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§40-9-1.

"The following property and persons shall be exempt from ad valorem taxation and none other:

"(1) All bonds of the United States and this state and all county and municipal bonds issued by counties and municipalities in this state, all property, real and personal, of the United States and this state and of county and municipal corporations in this state; all cemeteries, all property, real and personal, used exclusively for religious worship, for schools or for purposes purely charitable; provided, that property, real or personal, owned by any educational, religious or charitable institution, society or corporation let for rent or hire or for use for business purposes shall not be exempt from taxation, notwithstanding that the income from such property shall be used exclusively for education, religious or charitable purposes; all mortgages, together with the notes, debts and credits secured

1       thereby on real and personal property situated in this state,  
 2       which mortgages have been filed for record and the privilege  
 3       tax paid thereon; all security agreements and security  
 4       interests under the Uniform Commercial Code, together with the  
 5       notes, debts and credits secured thereby; all money on deposit  
 6       in any bank or banking institution and all other solvent  
 7       credits; all warrants issued by county boards of education and  
 8       city boards of education for the purpose of erecting,  
 9       repairing, furnishing school buildings or for other school  
 10      purposes;

11               "(2) All property, real or personal, used  
 12      exclusively for hospital purposes, to the amount of \$75,000,  
 13      where such hospitals maintain wards for charity patients or  
 14      give treatment to such patients; provided, that the treatment  
 15      of charity patients constitutes at least 15 percent of the  
 16      business of such hospitals; provided further, that such  
 17      hospital need not be assessed for taxation if the owner or  
 18      manager shall file with the county tax assessor wherein such  
 19      hospital is located within the time allowed for assessing such  
 20      property for taxation a certificate that such hospital has  
 21      done 15 percent charity work in the preceding tax year; and  
 22      further provided, that such hospital through its owner or  
 23      manager shall have until the expiration of the preceding tax  
 24      year to class its work and ascertain whether or not such

1 hospital has done 15 percent of its treatment of patients as  
2 charity work;

3 "(3) The shares of the capital stock of any  
4 corporation owning and operating a hospital, to the extent of  
5 \$75,000 in value; provided, that said corporation maintains  
6 wards for charity patients and gives treatment to such  
7 patients, which treatment constitutes at least 15 percent of  
8 the business of the hospital of said corporation; provided,  
9 that the total exemption granted to any such corporation shall  
10 not exceed \$75,000, taking into consideration its real and  
11 personal property and the value of its shares of capital  
12 stock;

13 "(4) All property owned by the American Legion or by  
14 Veterans of Foreign Wars or by the Disabled American Veterans,  
15 or any post thereof; provided, that such property is used and  
16 occupied exclusively by said organization;

17 "(5) All the property of literary and scientific  
18 institutions and literary societies, when employed or used in  
19 the regular business of such institutions;

20 "(6) The libraries of ministers of the gospel, all  
21 libraries other than those of a professional character and all  
22 religious books kept for sale by ministers of the gospel and  
23 colporteurs;

1           "(7) The property of deaf mutes and insane persons  
2 to the extent of \$3,000 and the property of blind persons to  
3 the extent of \$12,000;

4           "(8) All family portraits;

5           "(9) All cotton, livestock or agricultural products  
6 which have been raised or grown in the State of Alabama and  
7 which shall remain in the hands of the producer thereof, or  
8 his landlord, or in the hands of a cooperative association for  
9 all time, and for a period of one year in the hands of the  
10 purchaser or the manufacturer;

11           "(10) All cotton, wherever grown, stored in licensed  
12 warehouses in the State of Alabama for a period not exceeding  
13 12 months;

14           "(11) Provisions and supplies on hand for the  
15 current year for the use of the family and the making of  
16 crops; all wearing apparel; farming tools; tools and  
17 implements of mechanics to the value of \$200; all livestock,  
18 including mules, studs, jacks and jennets, cattle, horses,  
19 cows, calves, hogs, sheep and goats; household and kitchen  
20 furniture and one sewing machine;

21           "(12) No license or taxation of any character,  
22 except franchise taxes provided by Section 229 of the  
23 Constitution of the State of Alabama, shall be collected or  
24 required to be paid to the state or any county or municipality  
25 therein by any state or county fair, agricultural association,

1 stock, kennel or poultry show. Athletic stadiums owned and  
2 controlled by universities, schools or colleges and which are  
3 used exclusively for the purpose of promoting intercollegiate  
4 or interschool athletics; provided, that the revenue received  
5 from athletic stadiums, when admission is charged, shall be  
6 used for the benefit of athletic associations of such  
7 universities, colleges or schools. Nothing contained in this  
8 subdivision shall be construed to prohibit any municipality,  
9 county or state from imposing any license tax upon or for the  
10 privilege of engaging in the business of supplying services  
11 for hire or reward or selling commodities other than  
12 livestock, farm products or farm implements or conducting or  
13 operating devices or games of skill or amusements or other  
14 games or devices, or conducting or operating shows, displays  
15 or exhibits other than shows, displays or exhibits of  
16 agricultural implements, farm products, livestock and athletic  
17 prowess;

18 "(13) All material, including without limitation  
19 coke, to be compounded or further manufactured, when stocked  
20 at any plant or furnace for manufacturing purposes in Alabama;

21 "(14) All articles manufactured in Alabama,  
22 including pig iron, in the hands of the producer or  
23 manufacturer thereof, for 12 months after its production or  
24 manufacture;

1           "(15) All property, both real and personal, owned by  
2 any unit or organization of the Alabama National Guard  
3 officially recognized as such by the federal government and  
4 organized and maintained by the state, and all property owned  
5 by shares and used exclusively by and kept exclusively in the  
6 possession of any such unit or organization of the Alabama  
7 National Guard, the annual rent or hire of which is not in  
8 excess of the annual state, county and municipal taxes on said  
9 property shall be exempt from taxation by the state, and the  
10 county and municipality in which the same may be situated;

11           "(16) All poultry;

12           "(17) The property of all incompetent veterans to  
13 the value of \$3,000;

14           "(18) The following items of personal property when  
15 owned by individuals for personal use in the home or usually  
16 kept at the home of the owner and not carried as stocks of  
17 merchandise, namely: Libraries; phonographs; pianos and other  
18 musical instruments; paintings; precious stones, jewelry,  
19 plate silverware, ornaments and articles of taste; watches and  
20 clocks; wagons, buggies, bicycles, guns, pistols, canes, golf  
21 sticks, golf bags and sporting goods; money hoarded; radios;  
22 mechanical and electrical refrigerators; electrical  
23 appliances;

24           "(19) All property owned by the Benevolent and  
25 Protective Order of Elks, Fraternal Order of Police, Fraternal

1 Order of Eagles or Loyal Order of Moose, or lodge thereof;  
2 provided, that such property is used and occupied exclusively  
3 by such organization;

4 "(20) All devices, facilities or structures, and all  
5 identifiable components thereof or materials for use therein,  
6 acquired or constructed primarily for the control, reduction  
7 or elimination of air or water pollution;

8 "(21) Tobacco leaf stored in hogsheads;

9 "(22) All farm tractors, as that term is defined in  
10 subdivision (19) of Section 32-1-1.1; and all farming  
11 implements, as that term is used in subdivision (b) (5) of  
12 Section 40-11-1, as amended, when used exclusively in  
13 connection with agricultural property as defined in  
14 subdivision (b) (3) of Section 40-8-1, as amended;

15 "(23) All grain bins used exclusively for the  
16 purpose of storing, holding, drying, preserving, or otherwise  
17 preparing a grain, as defined in Section 2-31-1, for market.  
18 For purposes of this chapter, grain bin means a structure and  
19 its component parts;

20 "~~(23)~~ (24) All stocks of goods, wares and  
21 merchandise described in subdivision (b) (4) of Section  
22 40-11-1, as amended; and

23 "~~(24)~~ (25) All aircraft, replacement parts,  
24 components, systems, supplies and sundries affixed or used on  
25 said aircraft, and ground support equipment and vehicles used



1 by or for the aircraft, when used by a certificated or  
2 licensed air carrier with a hub operation within this state,  
3 for use in conducting intrastate, interstate or foreign  
4 commerce for transporting people or property by air. For the  
5 purpose of this subdivision, the words "hub operation within  
6 this state" shall be construed to have all of the following  
7 criteria:

8 "a. There originates from the location 15 or more  
9 flight departures and five or more different first-stop  
10 destinations five days per week for six or more months during  
11 the calendar year; and

12 "b. Passengers and/or property are regularly  
13 exchanged at the location between flights of the same or a  
14 different certificated or licensed air carrier.

15 "~~(25)~~ (26) All property described in Title 12 U.S.C.  
16 §1701(Q), commonly known as HUD 202 property, is hereby exempt  
17 from any and all ad valorem taxes.

18 "~~(26)~~ (27) All vessels and equipment thereon, used  
19 predominantly in the business of commercial shrimping by the  
20 owners thereof."

21 Section 2. This act shall become effective  
22 immediately following its passage and approval by the  
23 Governor, or its otherwise becoming law.

