

1 HB120  
2 136876-4  
3 By Representative Williams (J)  
4 RFD: County and Municipal Government  
5 First Read: 07-FEB-12

ACT NO. 2012-313



1  
2 ENROLLED, An Act,

3 To amend Sections 40-9-19, 40-9-21, and 40-9-21.1 of  
4 the Code of Alabama 1975; relating to exemptions from ad  
5 valorem taxes; to clarify the process for claiming an  
6 exemption from ad valorem taxes due to age or disability; to  
7 increase the income eligibility for all such exemptions; to  
8 make procedures for applying for the exemptions uniform; to  
9 require the Department of Revenue to establish rules and  
10 procedures for applying for the exemptions; and to further  
11 provide for verification of eligibility.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Sections 40-9-19, 40-9-21, and 40-9-21.1  
14 of the Code of Alabama 1975, are amended to read as follows:

15 "§40-9-19.

16 "(a) Homesteads, as defined by the Constitution and  
17 laws of Alabama, are hereby exempted from all state ad valorem  
18 taxes. In no case shall the exemption herein made apply to  
19 more than one person, head of the family, nor shall the said  
20 exemption exceed \$4,000 in assessed value, nor 160 acres in  
21 area for any resident of this state who is not over 65 years  
22 of age. The homesteads of residents of this state, who are  
23 over 65 years of age, ~~or who are~~ retired due to permanent and  
24 total disability, regardless of age, or ~~who are~~ blind as  
25 defined in Section 1-1-3, regardless of age or whether such

1 person is retired, shall be exempt from all state ad valorem  
2 taxes.

3 "The ~~state Commissioner~~ Department of Revenue ~~is~~  
4 ~~hereby empowered to define and specify the condition or state~~  
5 ~~of health that makes~~ shall by regulation establish the  
6 criteria and proof required for an exemption based upon a  
7 person being "permanently and totally disabled" and ~~may~~ shall  
8 issue certificates of disability to ~~such~~ any person ~~as he may~~  
9 ~~find who~~ meets such specifications criteria and provides the  
10 required proof. Any person who is drawing any pension or  
11 annuity from the armed services or a company or governmental  
12 agency as being permanently and totally disabled shall  
13 automatically be granted a certificate of permanent and total  
14 disability by the ~~state Commissioner of Revenue~~ department.

15 "(b) For tax years beginning on and after October 1,  
16 1981, for residents of this state not over 65 years of age,  
17 homesteads, as defined by the Constitution and laws of  
18 Alabama, are hereby exempted from all ad valorem property  
19 taxes levied, except countywide and school district ad valorem  
20 taxes levied for school purposes, by any county of this state.  
21 In no case shall such exemption herein made apply to more than  
22 one person, head of the family, nor shall the said exemption  
23 exceed \$2,000 in assessed value, nor 160 acres in area for any  
24 resident of this state who is not over 65 years of age except  
25 as provided in subsection (c) ~~of this section~~.

1           "(c) For tax years beginning on and after October 1,  
2 1981, the governing body of any county, municipality or other  
3 local taxing authority may at any time grant by resolution or  
4 ordinance an exemption from any levy of ad valorem property  
5 taxes levied by such county, municipality or other local  
6 taxing authority on homesteads, as defined by the Constitution  
7 and laws of Alabama, of residents of this state not over 65  
8 years of age. In no case shall such exemption herein allowed  
9 apply to more than one person, head of the family, nor shall  
10 said exemption, when added to any other homestead exemption  
11 applicable to the same ad valorem tax levy, exceed \$4,000 in  
12 assessed value, nor 160 acres in area. Any homestead exemption  
13 granted pursuant to this subsection (c) may be adjusted,  
14 rescinded, or reinstated at any time by resolution or  
15 ordinance of the governing body of the county, municipality or  
16 other local taxing authority granting such exemption. Any  
17 action authorized by this subsection to be taken by a taxing  
18 authority, or the governing body thereof, shall, other than in  
19 the case of a municipality, be taken by resolution of the  
20 governing body of the county in which such taxing authority is  
21 located acting on behalf of such taxing authority; provided  
22 however, any action authorized by this subsection to be taken  
23 by a taxing authority, or the governing body thereof, which  
24 action shall affect countywide or district ad valorem taxes  
25 levied solely for the support of county or city school

1 districts, shall be taken by resolutions of the governing  
2 bodies and boards of the school systems that are recipients of  
3 the proceeds of the ad valorem tax so affected by such action.  
4 The provisions of this subsection (c) shall in no way annul or  
5 reduce exemptions provided under subsections (a), (b), and (d)  
6 of this section.

7 "(d) For tax years beginning on and after October 1,  
8 1981, ~~for residents of this state, over 65 years of age who~~  
9 ~~have an annual adjusted gross income of less than \$12,000 as~~  
10 ~~reflected on the most recent state income tax return or some~~  
11 ~~other appropriate evidence, or who are retired due to~~  
12 ~~permanent and total disability, regardless of age, or~~  
13 homesteads, as defined in the Constitution of Alabama of 1901  
14 and laws of Alabama, are hereby exempted from ad valorem  
15 property taxes levied by any county of this state, including  
16 such taxes levied for school districts, for residents of this  
17 state who are blind as defined in Section 1-1-3, regardless of  
18 age or whether such person is retired, ~~homesteads, as defined~~  
19 ~~in the Constitution and laws of Alabama, are hereby exempted~~  
20 ~~from ad valorem property taxes levied by any county of this~~  
21 ~~state, including such taxes levied for school districts.~~ In no  
22 case shall such exemption exceed \$5,000 in assessed value, nor  
23 160 acres in area. With respect to homesteads situated in more  
24 than one county, the exemption granted herein shall be  
25 prorated between the counties in which the homestead is

1 situated in the proportion that the area of the homestead in  
2 each county bears to the total area of the homestead claimed  
3 for exemption.

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

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

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

22 "\$40-9-21.

23 "(a) In addition to the persons and property exempt  
24 from ad valorem taxation as prescribed in Section 40-9-1, ~~the~~  
25 ~~following shall also be exempt from ad valorem taxation: the~~

1 principal residence and 160 acres adjacent thereto ~~of~~ shall be  
2 exempt from ad valorem taxation for any person resident of  
3 this state who is retired because he or she is permanently and  
4 totally disabled or who is 65 years of age or older having a,  
5 provided the net annual taxable income of ~~\$7,500~~ for the  
6 person claiming the exemption and that of his or her spouse is  
7 twelve thousand dollars (\$12,000) or less, as shown on such  
8 person's and spouse's latest United States income tax return  
9 or some other appropriate evidence acceptable to the  
10 department. In the event that such person and spouse are not  
11 required to file a United States income tax return, then an  
12 affidavit indicating that the net taxable income of such  
13 person and spouse for the preceding taxable year was ~~\$7,500~~  
14 twelve thousand dollars (\$12,000) or less shall be sufficient  
15 proof. Proof of age shall be ~~furnished when the~~ required for  
16 an exemption ~~provided herein is~~ claimed by residents over the  
17 age of 65. Proof of total disability may be, but shall not be  
18 limited to, the written certification of such total disability  
19 by any two physicians licensed to practice in this state. Any  
20 person who is drawing any pension or annuity from the armed  
21 services or a company or governmental agency because he or she  
22 is permanently and totally disabled shall automatically be  
23 granted a certificate of permanent and total disability by the  
24 department. In order to qualify for an exemption under this  
25 section, such principal residence must be a single-family

1 residence owned and occupied by a person qualifying under this  
2 section.

3 "(b) The department shall by regulation establish  
4 the criteria and proof required for an exemption based upon a  
5 person being "permanently and totally disabled" and shall  
6 issue certificates of disability to any person that meets such  
7 criteria and provides the required proof. Any person who is  
8 drawing any pension or annuity from the armed services, a  
9 private company, or any governmental agency because he or she  
10 is permanently and totally disabled shall automatically be  
11 granted a certificate of permanent and total disability by the  
12 department.

13 "§40-9-21.1.

14 "Any law to the contrary notwithstanding, any person  
15 who is permanently and totally disabled and who qualifies for  
16 the homestead exemptions in Sections 40-9-19 and 40-9-21 shall  
17 not be required to annually claim such exemptions after the  
18 initial qualification, but may verify such condition each year  
19 thereafter by mail on a form affidavit to be provided by the  
20 tax assessor. Also, any person ~~over the age of 65~~ who  
21 qualifies for the homestead exemptions under the income  
22 limitations provided in ~~Sections 40-9-19 and~~ Section 40-9-21  
23 shall after the initial qualification be allowed to verify  
24 such eligibility each year by mail on a form affidavit to be  
25 provided by the tax assessor."



1           Section 2. The amendatory language found in this act  
2 shall apply for tax years beginning on and after October 1,  
3 2012.

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

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Speaker of the House of Representatives

*Kay Ivey*

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 28-FEB-12, as amended.

Greg Pappas  
Clerk

Senate

02-MAY-12

Passed

APPROVED *May 10, 2012*

TIME *8:34 am*  
*Robert Bentley*  
GOVERNOR

Alabama Secretary Of State

Act Num....: 2012-313  
Bill Num....: H-120

Recv'd 05/10/12 02:28pmSLF

SPONSORS

*Williams*

HOUSE ACTION

I HEREBY CERTIFY THAT THE RESOLUTION AS REQUIRED IN SECTION C OF ACT NO. 81-889 WAS ADOPTED AND IS ATTACHED TO THE BILL, H.B. 120

YEAS 95 NAYS 0

GREG PAPPAS, Clerk

I HEREBY CERTIFY THAT THE NOTICE & PROOF IS ATTACHED TO THE BILL, H.B. AS REQUIRED IN THE GENERAL ACTS OF ALABAMA, 1975 ACT NO. 919.

GREG PAPPAS, Clerk

CONFERENCE COMMITTEE

House Conferees

SENATE ACTION

DATE: 3-1 2012

RD 1 RFD

This Bill was referred to the Standing Committee of the Senate on \_\_\_\_\_

and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amend(s) \_\_\_\_\_ w/sub \_\_\_\_\_ by a vote of \_\_\_\_\_ yeas \_\_\_\_\_ nays \_\_\_\_\_ abstain \_\_\_\_\_

this 12 day of March 2012, Chairperson Ad

DATE: 3-22 2012

RF LAN RD 2 CAL

DATE: \_\_\_\_\_ 2012

RE-REFERRED  RE-COMMITTED

Committee \_\_\_\_\_

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, HB 120

YEAS 34 NAYS 0

PATRICK HARRIS, Secretary

FURTHER SENATE ACTION (OVER)

DATE: 5/2/78 RD 3 at 1

PASSED  PASSED AS AMENDED

YEAS 211 NAYS 0

And was ordered returned forthwith to the H

PATRICK HA

Sec

DATE:

INDEFINITELY POSTPONED YEAS NAY

DATE:

RECONSIDERED YEAS NAY

CONFERENCE COMMITTEE

Senate Conferees

This bill having been referred to the Comm Rules pursuant to Senate Rule 23 is reported Senate for assignment to the Committee on:

This \_\_\_\_\_ day of \_\_\_\_\_, 20

Chair

Date:

Rereferred

Committee: