

1 HB104  
2 105925-2  
3 By Representative Williams (J)  
4 RFD: County and Municipal Government  
5 First Read: 12-JAN-10  
6 PFD: 01/06/2010

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8 SYNOPSIS: Under existing law, any taxpayer who is  
9 over age 65 and who has an adjusted gross income of  
10 less than \$12,000 is exempt from county property  
11 taxes on the first \$5,000 of assessed value of his  
12 or her homestead.

13 This bill would increase the adjusted gross  
14 income amount to less than \$39,900.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 To amend Section 40-9-19, Code of Alabama 1975,  
21 relating to ad valorem taxes and homesteads, to raise the  
22 qualifying adjusted gross income amount to less than \$39,900.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

26 "§40-9-19.

1           "(a) Homesteads, as defined by the Constitution and  
2 laws of Alabama, are hereby exempted from all state ad valorem  
3 taxes. In no case shall the exemption herein made apply to  
4 more than one person, head of the family, nor shall the said  
5 exemption exceed \$4,000 in assessed value, nor 160 acres in  
6 area for any resident of this state who is not over 65 years  
7 of age. The homesteads of residents of this state, over 65  
8 years of age, or who are retired due to permanent and total  
9 disability, regardless of age, or who are blind as defined in  
10 Section 1-1-3, regardless of age or whether such person is  
11 retired, shall be exempt from all state ad valorem taxes.

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

21           "(b) For tax years beginning on and after October 1,  
22 1981, for residents of this state not over 65 years of age,  
23 homesteads, as defined by the Constitution and laws of  
24 Alabama, are hereby exempted from all ad valorem property  
25 taxes levied, except countywide and school district ad valorem  
26 taxes levied for school purposes, by any county of this state.  
27 In no case shall such exemption herein made apply to more than

1 one person, head of the family, nor shall the said exemption  
2 exceed \$2,000 in assessed value, nor 160 acres in area for any  
3 resident of this state who is not over 65 years of age except  
4 as provided 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 exemption herein allowed  
13 apply to more than one person, head of the family, nor shall  
14 said exemption, when added to any other homestead exemption  
15 applicable to the same ad valorem tax levy, exceed \$4,000 in  
16 assessed value, nor 160 acres in area. Any homestead exemption  
17 granted pursuant to this subsection (c) may be adjusted,  
18 rescinded or reinstated at any time by resolution or ordinance  
19 of the governing body of the county, municipality or other  
20 local taxing authority granting such exemption. Any action  
21 authorized by this subsection to be taken by a taxing  
22 authority, or the governing body thereof, shall, other than in  
23 the case of a municipality, be taken by resolution of the  
24 governing body of the county in which such taxing authority is  
25 located acting on behalf of such taxing authority; provided  
26 however, any action authorized by this subsection to be taken  
27 by a taxing authority, or the governing body thereof, which

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

9 "(d) For tax years beginning on and after October 1,  
10 ~~1981~~ 2008, for residents of this state, over 65 years of age  
11 who have an annual adjusted gross income of less than ~~\$12,000~~  
12 thirty-nine thousand nine hundred dollars (\$39,900) 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.

21 "In no case shall such exemption exceed \$5,000 in  
22 assessed value, nor 160 acres in area. With respect to  
23 homesteads situated in more than one county, the exemption  
24 granted herein shall be prorated between the counties in which  
25 the homestead is situated in the proportion that the area of  
26 the homestead in each county bears to the total area of the  
27 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 is permanently and totally  
8 disabled shall automatically be granted a certificate of  
9 permanent and total disability by the Department of Revenue.

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

15           Section 2. This act shall become effective  
16 immediately following its passage and approval by the  
17 Governor, or its otherwise becoming law.