

**SB349 INTRODUCED**



1 14BJ33-1  
2 By Senator Gudger  
3 RFD: Finance and Taxation General Fund  
4 First Read: 23-May-23  
5 2023 Regular Session



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SYNOPSIS:

Under existing law, class III property that has been assessed at a current use value, in lieu of fair and reasonable market value, may be subject to a three-year rollback provision when assessing ad valorem taxes.

This bill would change the rollback to a one-year rollback provision when assessing ad valorem taxes to one-year.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to current use value of class III property current use value; to amend Section 40-7-25.3, Code of Alabama 1975, to revise the look back period for assessing ad valorem taxes on current use property.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-7-25.3, Code of Alabama 1975, is amended to read as follows:

"§40-7-25.3

(a) If the sale or other disposition of taxable property qualified for assessment based on its current use value results in or is followed by the conversion of such property, within two years from the date of sale or other



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29 disposition, to a use that is not so qualified, then with  
30 respect to ~~the~~such property, there shall be levied and  
31 collected, in the ad valorem tax year beginning on the October  
32 1 next succeeding the conversion of ~~the~~such property, an  
33 amount of additional taxes to be computed in the manner  
34 provided by this section. If taxable property qualified for  
35 assessment at its current use value is converted to a use not  
36 so qualified, then the tax assessor shall thereupon appraise  
37 ~~the~~such property in accordance with the provisions of Section  
38 40-7-15 and Section 40-7-25, ~~as amended,~~ and shall compute the  
39 amount of additional taxes payable with respect to such  
40 property in the manner provided in this section.

41 (b) The owner of taxable property qualified for  
42 assessment at its current use value which is converted to a  
43 use not so qualified shall ~~so~~ notify the tax assessor of the  
44 county in which ~~the~~such property is located, on and after  
45 October 1 but not later than January 1 in the taxable year  
46 ~~following~~next~~succeeding~~ the taxable year in which such  
47 conversion is made.

48 (c) The tax assessor shall compute the amount of ad  
49 valorem property taxes that would have been payable with  
50 respect to ~~the~~such converted property if the sales price or  
51 the fair and reasonable market value of ~~the~~such property at  
52 the time of its conversion, whichever is greater, had been  
53 used instead of the current use value of ~~the~~such property in  
54 computing the amount of taxes payable with respect to ~~the~~such  
55 property for ~~the~~each of the three ad valorem tax ~~year~~years  
56 preceding the tax year beginning on the October 1 next



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57 succeeding the conversion of ~~the~~such property.

58 (d) ~~The~~Such amount shall be additional taxes to be  
59 levied and collected on the first assessment lists prepared  
60 subsequent to ~~the~~such conversion in the same manner and at the  
61 same time as other taxes and shall constitute a lien on  
62 ~~the~~such property to the same extent as other taxes, as  
63 provided in Section 40-1-3.

64 (e) If ~~the~~such converted property constitutes only a  
65 portion of a parcel so qualified on the assessment lists, the  
66 tax assessor shall apportion the assessment of ~~the~~such parcel  
67 on the first assessment lists prepared subsequent to the  
68 conversion and enter the apportioned amount attributable to  
69 the portion converted as a separately assessed parcel on the  
70 assessment lists. Such apportionment shall be made for each of  
71 the years to which additional taxes apply."

72 Section 2. This act shall become effective on the  
73 first day of the third month following its passage and  
74 approval by the Governor, or its otherwise becoming law.