

1 HB189
2 96098-1
3 By Representative Gipson
4 RFD: Government Appropriations
5 First Read: 05-FEB-08
6 PFD: 02/01/2008

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8 SYNOPSIS: Under existing law, real and personal
9 property is classified in different categories for
10 ad valorem taxation purposes. The various
11 classifications are taxed at different rates.
12 Currently, privately owned, noncommercial aircraft
13 are taxed at 20 percent and private motor vehicles
14 are taxed at 15 percent.

15 This bill, which would only become effective
16 upon the adoption of an authorizing constitutional
17 amendment, would include privately owned,
18 noncommercial aircraft within Class IV.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT

23
24 To amend Section 40-8-1, Code of Alabama 1975,
25 relating to the classifications of property for ad valorem tax
26 purposes, to include privately owned, noncommercial aircraft

1 within Class IV, to become effective on the adoption of an
2 authorizing constitutional amendment.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-8-1, Code of Alabama 1975, is
5 amended to read as follows:

6 "§40-8-1.

7 "(a) On and after October 1, 1978, with respect to
8 ad valorem taxes levied by the state, and, unless otherwise
9 provided, with respect to ad valorem taxes levied by a county,
10 municipality, or other taxing authority other than the state,
11 all taxable property shall be divided into the following
12 classes and no other and shall be assessed for ad valorem tax
13 purposes at the following ratios of assessed value to the fair
14 and reasonable market value of such property, or, as may be
15 provided by law, to the current use value of such property:

16 "CLASS I. All property of utilities used in the
17 business of such utilities, 30 percent.

18 "CLASS II. All property not otherwise classified, 20
19 percent.

20 "CLASS III. All agricultural, forest, and
21 residential property, and historic buildings and sites, 10
22 percent.

23 "CLASS IV. All private passenger automobiles and
24 motor trucks of the type commonly known as "pickups" or
25 "pickup trucks" owned and operated by an individual for
26 personal or private use and not for hire, rent, or
27 compensation, and all noncommercial aircraft, privately owned

1 by an individual or group of individuals, used exclusively for
2 personal pleasure, for display, or for use in aircraft shows
3 and exhibits without compensation, and provided the aircraft
4 is not used for business purposes or to transport passengers
5 or cargo for a fee, 15 percent.

6 "(b) As used herein, the following terms shall have
7 the following meanings, respectively, unless the context
8 clearly indicates otherwise:

9 "(1) AGRICULTURAL AND FOREST PROPERTY. All real
10 property used for raising, harvesting, and selling crops or
11 for the feeding, breeding, management, raising, sale of, or
12 the production of livestock, including beef cattle, sheep,
13 swine, horses, ponies, mules, poultry, fur-bearing animals,
14 honeybees, and fish, or for dairying and the sale of dairy
15 products, or for the growing and sale of timber and forest
16 products, or any other agricultural or horticultural use or
17 animal husbandry and any combination thereof.

18 "(2) HISTORIC BUILDINGS AND SITES. Regardless of the
19 use to which such property is put, all buildings or structures
20 (i) determined eligible by the state historic preservation
21 officer for listing on the National Register of Historic
22 Places; or (ii) located in a registered historic district and
23 certified by the United States Secretary of the Interior as
24 being of historic significance to the district.

25 "(3) PRIVATE PASSENGER AUTOMOBILES AND MOTOR TRUCKS
26 OF THE TYPE COMMONLY KNOWN AS "PICKUPS" OR "PICKUP TRUCKS"
27 OWNED AND OPERATED BY AN INDIVIDUAL FOR PERSONAL OR PRIVATE

1 USE AND NOT FOR HIRE, RENT, OR COMPENSATION. All private
2 passenger automobiles, as that term is defined in Sections
3 40-12-240, subdivision ~~(12)~~ (16), and 40-12-241; and all motor
4 trucks of the type commonly known as "pickups" or "pickup
5 trucks," weighing not exceeding 8,000 pounds gross weight.

6 "(4) PROPERTY NOT OTHERWISE CLASSIFIED. All real and
7 personal property which does not fall within any one or more
8 of Classes I, III, and IV.

9 "(5) PROPERTY OF UTILITIES. All property assessed
10 for taxation by the Department of Revenue pursuant to the
11 provisions of Chapter 21 of this title; provided, that after
12 September 30, 1979, and only to the extent required by Title
13 III, §306 of Pub. L. 94-210 (the Railroad Revitalization and
14 Regulatory Reform Act of 1976, codified as 49 U.S.C. §26c),
15 "transportation property," as that term is defined in the
16 aforesaid statute, as heretofore or hereafter amended, or in
17 any subsequent statute of similar import, shall not be
18 assessed as Class I property and customer-owned coin-operated
19 telephone companies shall not be assessed as Class I property.

20 "(6) RESIDENTIAL PROPERTY. Only real property, used
21 by the owner thereof exclusively as the owner's single-family
22 dwelling.

23 "(c) Wherever any statute provides for, limits, or
24 measures the power or authority of any county, municipality,
25 or other taxing authority to levy taxes, borrow money, or
26 incur indebtedness in relation to the assessment of property
27 therein for state taxes or for state and county taxes, such

1 provision shall mean as assessed for county or municipal
2 taxes.

3 "(d) The following property shall be exempted from
4 ad valorem taxation: The real and personal property of the
5 state, counties, and municipalities and real and personal
6 property devoted exclusively to religious, education, or
7 charitable purposes. The property of Masonic lodges, Knights
8 of Columbus homes, and union halls shall be exempt when used
9 exclusively for the purposes and business of such
10 organizations. All property now exempt by law shall continue
11 to be exempt from taxation until changed by law.

12 "(e) The Department of Revenue shall have authority
13 to promulgate rules and regulations for the uniform
14 identification and assessment of manufactured homes."

15 Section 2. This amendatory act shall become
16 effective upon the adoption of an amendment to Amendment No.
17 373 to the Constitution of Alabama of 1901, which classifies
18 real and personal property in different classes, following its
19 passage and approval by the Governor, or its otherwise
20 becoming law.