

1 SB40
2 95957-1
3 By Senator Means (Constitutional Amendment)
4 RFD: Finance and Taxation Education
5 First Read: 05-FEB-08
6 PFD: 01/16/2008

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8 SYNOPSIS: Under existing law, the Department of
9 Revenue supervises and regulates the periodic
10 reappraisal of all property in Alabama.

11 Also under existing law, when property is
12 reappraised for ad valorem tax purposes, there is
13 no limit on how much the valuation of the property
14 may increase since the last appraisal.

15 This bill would propose an amendment to the
16 Constitution of Alabama of 1901, to provide that
17 Class III property would not be subject to
18 reappraisal more often than once every four years
19 and to limit the percentage of the increase in
20 valuation to no more than three percent or the
21 annual percentage increase in the Consumer Price
22 Index, whichever is less, for each year since the
23 most recent previous valuation of the property.

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25 A BILL
26 TO BE ENTITLED
27 AN ACT

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To propose an amendment to the Constitution of Alabama of 1901, to provide that Class III property would not be subject to reappraisal more often than once every four years and to limit the percentage of increase in valuation of Class III property which is reappraised periodically for ad valorem tax purposes.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following amendment to the Constitution of Alabama of 1901, as amended, is proposed and shall become valid as a part thereof when approved by a majority of the qualified electors voting thereon and in accordance with Sections 284, 285, and 287 of the Constitution of Alabama of 1901, as amended:

PROPOSED AMENDMENT

The county-by-county reappraisal of all Class III property in the State of Alabama which is conducted and supervised by the Department of Revenue pursuant to Chapter 7 of Title 40, Code of Alabama 1975, shall not be conducted more often than once every four years.

When a valuation is placed on Class III property in the reappraisal process, the percentage of increase in the new valuation over the most recent previous valuation on the property may not exceed three percent or the annual growth rate expressed as a percentage of the Consumer Price Index for all urban consumers as reported by the U.S. Department of Labor, Bureau of Labor Statistics, or its successor, whichever

1 is less, for each year since the most recent previous
2 valuation of the property.

3 Section 2. An election upon the proposed amendment
4 shall be held in accordance with Sections 284 and 285 of the
5 Constitution of Alabama of 1901, as amended, now appearing as
6 Sections 284 and 285 of the Official Recompilation of the
7 Constitution of Alabama of 1901, as amended, and the election
8 laws of this state.

9 Section 3. The appropriate election official shall
10 assign a ballot number for the proposed constitutional
11 amendment on the election ballot and shall set forth the
12 following description of the substance or subject matter of
13 the proposed constitutional amendment:

14 "Proposing an amendment to the Constitution of
15 Alabama of 1901, to provide that Class III property would not
16 be subject to reappraisal more often than once every four
17 years and to limit the percentage of increase in valuation of
18 such property which is reappraised.

19 "Proposed by Act _____."

20 This description shall be followed by the following
21 language:

22 "Yes () No ()."