ALABAMA DEPARTMENT OF REVENUE
ADMINISTRATIVE CODE

CHAPTER 810-4-1
AD VALOREM TAX

810-4-1-.01 Current Use Valuation-Departmental Rule.

(1) Purpose - This rule is issued pursuant to authority contained in Code of Ala. 1975, §40-7-25.1, 40-7-25.2 and 40-7-25.3 relating to current use value of eligible Class III property. This rule is issued for the purpose of establishing the method and procedures of determining current use valuation of single-family owner-occupied dwelling and historical buildings and sites.

(2) Application - Application for current use valuation of Class III property must be filed with the county assessing official on or before January 1 in any taxable year. If an application is for property consisting of five acres or less, the tax assessing official may require the submission of additional data as necessary to verify the use of the property. The additional data may include site management plans from the Alabama Forestry Commission, photographs and surveys or verification from the county farm agent or United States Soil Conservation Service. If the current use is granted upon application, the owners of such property shall not be required to file subsequent application for the applicable property. New owners of eligible Class III property must file a timely request for current use value in order to be entitled to current use valuation.

(3) Methods and procedures for determining current use valuation:

(a) Residential property - The following procedures will be used by the county assessing official in determining the current use valuation of the following property, where a timely request has been filed:

1. Comparative fair and reasonable market value will be used for single-family owner-occupied dwelling where such property's location makes its "highest and best use" something other than residential property (e.g. commercial or industrial).

2. The land will be valued according to comparable residential land value of property, excluding that part of its value which is attributable to its possible use other than owner-occupied dwelling. Improvement will be valued as residential improvement.

(b) Historical buildings and sites - Historical buildings and sites which are listed in the national register of historic

places in accordance with paragraph 3 of this rule will be valued according to current use as follows:

1. The improvement will be valued according to replacement method of similar residential or commercial properties not including architectural features which make it a significant landmark.

2. The land will be valued according to similar residential property or commercial property depending on the use of the historical building site as other similar property within the neighborhood, i.e., if being used for residential use, the land will be valued according to similar residential lots in the neighborhood or if being used for commercial purposes, the land will be valued according to land that is being used for commercial use within the same neighborhood.

(4) Conversion - The tax assessing official shall be notified no later than January 1 if the sale or other disposition of property valued at its current use value is followed by a conversion of the property to a use not qualified for current use valuation within two years of the date of sale or other disposition, or, if property valued at its current use value is converted to a use not qualified for current use. The tax assessing official shall then revalue such property in accordance with Code of Ala. 1975, Sections 40-7-15 and 40-7-25 and determine any additional ad valorem taxes that would have been levied had the property not had current use. The additional ad valorem taxes will be based on the sales price of the property or its fair and reasonable market value at the time of conversion, whichever is greater. The additional ad valorem taxes will be for the three year period preceding the tax year beginning October 1 following the conversion of the property, where applicable, and will become a lien on October 1 next succeeding the conversion.

(5) Notice of Current Use Value. The county assessing official shall notify the owners of Class III property of the current use values placed upon their property, and the owner has thirty days after receiving such notice to submit to the assessor a statement outlining any errors in such current use valuation. The assessor shall review such statement and determine whether the value satisfactorily represents the current use value of property. The county official may require the owner to submit satisfactory evidence which will indicate the proper soil group applicable to the property in question as provided in Act 82-302, Section 1,(b)(1).

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Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 40-7-64, 40-11-1.5
History: Adopted May 25, 1982. **Amended:** Filed November 2, 2004; effective December 7, 2004.