

APA-1

Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-4-2-.02

Rule Title: Manufactured Homes Subject to Ad Valorem Tax

New; Amended; Repealed; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that result from the absence of the proposed rule? N/A

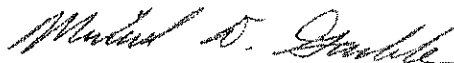
Are all the facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.



Signature of certifying officer

Date 01/22/2018

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10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-4-2-.02

Rule Title: **Manufactured Homes Subject to Ad Valorem Tax**

 New X Amend Repeal Adopt by Reference

- NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

11. OTHER COMMENTS:

**ALABAMA DEPARTMENT OF REVENUE
Property Tax**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-4-2-.02 Manufactured Homes Subject to Ad Valorem Tax

INTENDED ACTION Amend

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above mentioned rule to include instructions to county issuing officials regarding unissued ad valorem decals.

RULE NO. & TITLE

810-4-2-.04 Exemptions from Registration Fee

INTENDED ACTION Amend

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above mentioned rule to provide proper code citations and clarify language.

RULE NO. & TITLE

810-4-2-.09 Move Permits

INTENDED ACTION Amend

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above mentioned rule to include a disclaimer regarding manufactured home moving requirements established by the Alabama Manufactured Housing Commission.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **02:00 PM on Tuesday, March 13, 2018, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/tax-policy/>.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also appear at the hearing to present their views.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Tuesday, March 13, 2018

CONTACT PERSON AT AGENCY:

Meagan Barrett

Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael D. Gamble, Secretary
Alabama Department of Revenue

810-4-2-.02 Manufactured Homes Subject to Ad Valorem Tax.

(1) All manufactured homes located on land owned by the manufactured home owner where the manufactured homes are not rented or leased for business purposes shall be subject to assessment for ad valorem tax purposes and the manufactured homes shall be considered as improvements to realty **(Class III)**. Manufactured homes located on land owned by the manufactured home owner and used by the owner-occupant for business purposes are subject to ad valorem tax (Class II). Manufactured homes located on land owned by the manufactured home owner where the owner allows someone to occupy the home rent free, ~~the manufactured home~~ shall be subject to ad valorem tax **(Class III)**. Ownership interests in the manufactured home and the land must be the same for it to be assessed for ad valorem tax purposes. Manufactured homes assessed for ad valorem tax purposes shall be valued according to the Alabama Appraisal Manual and the manufactured homes shall be revalued on the same time schedule as other real property in the county.

(2) Valuations. Manufactured homes subject to ad valorem tax will be valued using the following procedures:

(a) Determine the classification of the home based on the construction quality of the manufactured home.

(b) Calculate the square footage of any appendages (porches, decks, or additions) and apply the appropriate decimal as specified in the Alabama Appraisal Manual. The square footage of the manufactured home added to the adjusted square footage of the appendages will equal the total adjusted area of the manufactured home.

(c) The total adjusted area of the manufactured home will be used to select the appropriate rate from the manufactured home rate table.

(d) The cost of any extra features will be determined using the Alabama Appraisal Manual or another market source.

(e) The cost of the manufactured home and appendages added to the cost of the extra features will result in the cost of the manufactured home.

(f) The cost of the manufactured home will be indexed using the manufactured home index provided by the **Alabama Department of Revenue, Property Tax Division**. This index will be distributed to counties along with their reappraisal order. All other counties will use the index applicable during their last reappraisal.

(g) The indexed cost will be depreciated, resulting in the value to be used for ad valorem tax purposes.

(3) Ad Valorem Tax Decals.

(a) Every person, firm, or corporation who owns a manufactured home shall receive a decal upon the assessment of the manufactured home, upon the payment of the ad valorem tax on the manufactured home, or upon complying with the ad valorem tax laws where no taxes are due. There shall be no issuance fee paid for decals issued for manufactured homes subject to ad valorem tax. These individuals assessing a manufactured home for the first time will be issued a current year decal at the time of assessment and must either return to the courthouse during October, November, or December for a new decal or be mailed a new decal during October, November, or December.

(b) The ad valorem tax decal shall be proof of payment of all ad valorem taxes or proof of compliance with the ad valorem tax laws where no taxes are due. The ad valorem tax decal shall be displayed the same as the registration decal.

(c) A decal will no longer be required, when the identity of a manufactured home has changed and no longer can be valued using the Manufactured Home Rate Tables, but is more accurately valued using other sections of the Alabama Appraisal Manual.

(d) A decal will no longer be required when a manufactured home (for assessment purposes) is considered to have "no value."

(e) Owners of manufactured homes entering the state for the first time and owners of manufactured homes purchased from the stock of a dealer shall, within 30 days of entry or purchase, secure from the local manufactured home official the appropriate manufactured home decal and display the decal as required in regulation 810-4-2-.03.

(4) Unissued Ad Valorem Decals. At the end of each tax year, all unissued ad valorem decals must be retained by the county issuing official in a secure area of their office until a satisfactory audit has been completed by the Examiners of Public Accounts. Upon completion of a satisfactory audit by the Examiners of Public Accounts, all unissued decals must be immediately destroyed.

Author: Monica Mason Vaughn and Will Martin.
Authority: §§40-2A-7(a)(5), 40-7-61, and 40-7-64 Code of Ala. 1975.
History: Original rule filed February 18, 1993; effective March 26, 1993.
Amended: Filed January 26, 1998, effective March 2, 1998.
Amended: Filed September 9, 1999, effective October 14, 1999.