

# Transmittal Sheet For Notice Of Intended Action

Control: 810Department or Agency: RevenueRule Nos: 810-4-1-.02

Rule Title: Implementation Plan for Updating of Value-Directive Issued Under the Authority of the Provisions of the Code of Ala. 1975, Sections 40-7-60 through 40-7-64, and by Order of the Commissioner of Revenue June 13, 1980.

☒ New; ☐ Amended; ☒ Repealed; ☐ Adopt by Reference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 relate to or effect any matter of litigation which the agency is a party to concerning the subject matter of the proposed rule?

Yes

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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.

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## 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 07/20/2018

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-4-1-.02

Rule Title: Implementation Plan for Updating of Value-Directive Issued Under the Authority of the Provisions of the Code of Ala. 1975, Sections 40-7-60 through 40-7-64, and by Order of the Commissioner of Revenue June 13, 1980.

X  New   Amend  X  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**

810-4-1-.02

Implementation Plan for Updating of Value-Directive Issued Under the Authority of the Provisions of the Code of Ala. 1975, Sections 40-7-60 through 40-7-64, and by Order of the Commissioner of Revenue June 13, 1980.

**INTENDED ACTION**

New, Repeal

**SUBSTANCE OF**

**PROPOSED ACTION:**

The department proposes to repeal and replace rule in order to establish guidelines, procedures, and a definite schedule for the annual equalization of real property values for ad valorem tax purposes.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at **01:30 PM on Tuesday, September 11, 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, September 11, 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



810-4-1-.02                      Implementation Plan For Updating Of Value-Directive Issued Under The Authority Of The Provisions Of The Code of Ala. 1975, §§40-7-60 Through 40-7-64, And By Order Of The Commissioner Of Revenue June 13, 1980.**(Repeal)**

(1)     Order of the Commissioner of Revenue - The order of the Commissioner of Revenue requires the following:

(a)     That each county assessing official and the chairman of the board of equalization of Jefferson County appraise all property located in the county according to its fair and reasonable market value as of October 1, 1980.

(b)     The updating of value to October 1, 1980, shall be completed not later than September 30, 1982.

(c)     Property appraised as to market value as of October 1, 1980, shall become the basis of assessment of such property in each of the several counties not later than October 1, 1982.

(d)     The appraisal program shall be carried out and managed by the county assessing officials, except Jefferson County which will be managed by the chairman of the board of equalization.

(e)     The county assessing official and the chairman of the board of equalization of Jefferson County shall comply with the guidelines, procedures and standards established by the Department of Revenue and will be responsible for successfully completing the valuation program required by the order of the Commissioner of Revenue.

(f)     The County Commission, through its respective county assessing officials, and in the case of Jefferson County, through its chairman of the board of equalization, shall begin the appraisal program in their county as of August 1, 1980.

(2)     Method of appraisal - The valuation procedure will be in accordance with the Alabama Appraisal Manual, any supplements to such manual and any division or field directives issued by the Ad Valorem Tax Division of the Department of Revenue to clarify or establish procedures for purpose of administration.

(a)     Valuation of improvements - Improvements will be valued as of October 1, 1980, based on replacement cost new less depreciation.

(b)     Land valuation - All lands, rural, suburban, urban, residential, commercial and industrial will be valued as of October 1, 1980, based on current market value.

(c)     All market studies involving construction, data collection, analysis, correlation and review will be in accordance with the market data study procedures

published by the Ad Valorem Tax Division as a supplement to the Alabama Appraisal Manual.

(d) The Ad Valorem Tax Division, shall review all studies involving construction costs new, indexes obtains by such studies, all land value studies, and schedules. Upon mutual agreement between the Department, and the chairman of the board of equalization Jefferson County, and each of the other county assessing officials, the index or indexes and land values shall then be applied in the valuation of property as of October 1, 1980.

(3) Manpower - It is the Commissioner of Revenue's stated policy that the updating of value required in his order will be performed and completed by qualified county appraisers and mappers.

(a) The suggested qualifications and experience for county appraisers and mappers published by the Department May, 1980, should be followed by the counties in the employment of new and additional personnel. Each county will require an experienced appraiser.

(b) The Department of Revenue will conduct with the County Commission, chairman, board of equalization Jefferson County, and each county assessing official regarding manpower requirements and any manpower plan which will reduce the cost of the program.

(c) The County Commission may employ, subject to approval of the Department program, consult with the county official charged with the appraisal responsibilities regarding adherence to standards and procedures and insure timely completion of the program in each county.

(4) In accordance with the provisions of the Code of Ala. 1975, §40-7-68, the Commissioner of Revenue has stated it is the policy of the Department that the cost of the updating of value of each county will be limited to that amount approved in previous years for maintenance contracts, or for budgets for in-house maintenance.

(a) Budgets - All county officials charged with the responsibility of carrying out the appraisal and mapping program shall confer with the County Commission and submit a budget, approved by the County Commission, to the Department on or about August 1, 1980, but not later than August 15, 1980.

1. The budget will include the cost for salaries, fringe benefits and all other expenses separated by items and cost. At the same time a preliminary budget will be submitted in the same manner for the fiscal year 1981-1982.

2. The Department will review the budget submitted by each county and resolve any problems relating to any items and/or costs.



3. The Department of Revenue will approve the final budget and return same to the County Commissioner and other respective county officials.

4. Each county assessing official and the chairman of the board of equalization Jefferson County shall submit monthly expenditures included in the approved budget on invoice forms prepared and distributed by the Ad Valorem Tax Division.

5. The Department will approve the final budgets and authorize the tax collector to withhold from each ad valorem tax fund its pro rata share necessary to pay the cost of the mapping and appraisal for the fiscal year 1980-1981. The county treasurer, upon receiving such funds from the county tax collector should deposit the funds into a special county fund for purpose of disbursement and audit by the Examiner of Public Accounts.

6. It is recommended that any county having funds approved for transportation and mileage, that a daily log be maintained and the appraisers and mappers be required to submit a daily report showing obligations of the transportation/mileage account. Such log and daily report shall be maintained by the respective county officials for purpose of audit.

7. The Department of Revenue may have printed property record cards or adhesive labels to be applied to the property record cards, or such records that may be printed at a cheaper cost than if printed by each of the several counties. If such records are furnished to the county, the Department shall invoice the county for the cost of such records.

8. Where the Department furnishes mappers and/or appraisers to any county to perform duties required by the order of the Commissioner of Revenue, the Ad Valorem Tax Division shall invoice the county for the cost of such services and expenses, including supplies and materials on a monthly basis to be paid by the county to the Department of Revenue.

9. The Commissioner of Revenue, through the Ad Valorem Tax Division, as a matter of cooperative effort with the counties, may provide appraisers and mappers in those counties which will not require full time appraisal and mapping personnel to achieve the updating of value program. The cost of such services and expenses will be reimbursed in accordance with paragraph (4)(a)8 above.

(5) Education and training - All personnel employed by the county as Appraiser I, and at the option of the county, Appraiser II, shall attend, at the cost of the county, an appraisal course sponsored and presented by the Ad Valorem Tax Division, Department of Revenue, for approximately one week. This course will be conducted by the Ad Valorem Tax Division. The final examination shall be prepared and administered by the Ad Valorem Tax Division to evaluate the knowledge and potential capabilities of

the students attending the course. The Department of Revenue shall also sponsor continuing professional education courses to provide the counties increased professionalism in the appraisal functions. The costs of such courses and expenses will be paid by the County Commission. The Ad Valorem Tax Division shall provide periodic seminars to county personnel in order that the standards and procedures are clearly presented and understood by county personnel.

(6) Document requirements - The county assessing official and the chairman of the board of equalization Jefferson County will obtain the following documents through October 1, 1980, no later than November 15, 1980.

(a) All vesting instruments recorded in the office of the Judge of Probate not previously received.

(b) All plats or subdivisions recorded in the office of the Judge of Probate through October 1, 1980, not previously received.

(c) All building permits from each city or town in the county through October 1, 1980, which have not previously been obtained.

(d) All septic tank permits issued through October 1, 1980, by the county health officer which have not previously been obtained.

(e) Each county assessing official and the chairman of the board of equalization Jefferson County will make arrangements with the Judge of Probate, municipal and county authorities to obtain the documents on a monthly basis thereafter.

(f) It will be necessary that each county official, charged with appraisal responsibilities established a continuing market data collection system of property sold, sales price, address and location of the properties. Each county official is requested to subscribe to any local publication which provides a list of property sold with the sales price, location and other related data. The above county officials will then post the sales price and data to the parcel involved in the sale to maintain a historical sales record on each parcel. Those counties not on a computer will record on each parcel. Those counties not on a computer will record the sales transactions and sales price, date and other data on the property record card. The department of Revenue, as a matter of assistance to the above county officials, will provide a Dodge Report listing new construction in the state, however, the construction cost must be verified. The Department will provide to the county sales of single-family residences with sales price and other data as reported by Society of Real Estate Appraisers Association. Construction of multiple-family units will be provided to the county. This publication lists the mortgage, which represents 90% of the total contract price. This publication will be provided to the county on a semiannual basis.



(7) Functions, responsibilities and completion schedules. Paragraph 7 represents an amendment to the implementation plan for updating of value dated July 3, 1980. The date of this amended paragraph 7 is August 13, 1980. FUNCTIONS BEGIN COMPLETE

- (a) Established index or indexes to value improvements 10/1/80
- (b) Market study of land 10/1/80 3/31/81
- (c) Field review by geographical order.

Maintenance updating should be performed simultaneous and in conjunction with the field review. Field review should begin in the cities where the concentration of parcels are located. The review should be made by geographical area. In other words, subdivision, section or township.

1. Review all parcels with copy of current ownership mapping.
2. Check improvements for sketch accuracy, type of building and materials, class of improvements, effective age and condition.
3. Measure alterations or additions to improvements.
4. Measure and list all improvements not shown on PRC (property record card).
5. Determine if improvements are correct.
6. Determine whether land lines are correctly drawn on maps. Identify splits and new subdivisions for valuation.
7. Change all descriptions in error.
8. Check land soil class and subclass for correctness, topography and use.
9. Check type of building such as single-family, multiple-family office, medical office, retail, etc.
10. Review property records cards for correctness of data shown including owner and address. Change or prepare property record cards for splits and new subdivisions.

11. Enter units of value for land on each property record card as field reviews are completed, in other words, front foot, square foot, acreage. Check to be sure that the cards show the total number of acreage and dimensions.

12. Deliver to office property records cards with maps with all notes regarding changes. Changes affecting the parcels should be entered under the notes section of the PRC.

(d) Computation of improvement values by geographical area as field reviews are completed. 1/1/81 1/31/82.

(e) Calculation of land values by geographical order as field reviews are completed. 4/1/81 1/31/82.

(f) Final review and correlation of values by geographical area as calculation of land and improvement values are completed. 5/1/81 2/15/82.

(g) Deliver property records cards with completed market value to county assessing official as final reviews are completed by geographical area. 6/1/81 3/1/82.

(h) Prepare 1982 assessments based on updated value. 7/1/81 3/31/82.

(i) Mail notices of assessed values to property owners. Notice should be in the form of the new assessment giving property owners 10 days to protest to the board of equalization. 4/15/82 4/17/82

(j) Board of equalization hearings. 5/1/82 8/1/82

(k) Change 1982 assessments as board of equalization completes daily hearings or fixed a changed value. 5/15/82 8/5/82

(l) Complete abstract to tax collector. 9/15/82

(m) County assessment sales ratio study 9/1/81 11/15/82

(8) General:

(a) All county mapping personnel shall proceed with all deliberate speed to bring all maps and ownership records, including cost, index cards, to current as of October 1, 1980, for appraisal and determination of boundary lines and on a continuing basis thereafter.



(b) Counties having a contract for maintenance of ownership and appraisal through October 1, 1980, must impress upon the contractor the necessity for the early completion of the contract.

(c) The field review will be used as an opportunity by the county officials to eliminate the existing errors, omissions and discrepancies in their records.

Author:

Authority: Code of Ala. 1975, §§40-7-60 through 40-7-64.

History: Adopted June 13, 1980. Amended: November 2, 2004, effective December 7, 2004.

810-4-1-.02      Implementation Plan for Annual Equalization (**New**)

Purpose - This rule is issued pursuant to the authority contained in §§ 40-7-64 and 40-2-11 Code of Ala. 1975, for the purpose of establishing guidelines, procedures, and a definite schedule for the annual equalization of real property values for ad valorem tax purposes.

Procedures - All property values will be adjusted on an annual basis to reflect current market value as of October 1<sup>st</sup> of each year, as prescribed in Addendum O (Annual Equalization Procedures) of the Property Tax Plan for Equalization (ADV-1), as it may be amended from time to time.

Author: Derrick Coleman

Authority: §§40-2A-7(a)(5), 40-2-11, 40-7-64, 40-11-1.5, Code of Ala. 1975

History: New Rule: Filed July 20, 2018; effective