

810-4-5-.02 Implementation of the Homeowners and Storm Victims Protection Act of 2011 - Fully-Developed Lots. **(NEW RULE)**

(1) **PURPOSE** - This rule is issued pursuant to authority contained in Alabama Act 2011-544 for the purpose of establishing guidelines and procedures for the uniform implementation of paragraph (e) of the Homeowners and Storm Victims Protection Act of 2011.

(2) **DEFINITIONS** - For the purpose of this rule, the following terms shall have the following meaning:

(a) **Fully-Developed Lot** - A lot or parcel of land, located within a platted and recorded subdivision as of the effective date of Act 2011-544, September 1, 2011 and having all available utilities in place, fully complying with the subdivision regulations applying to the subdivision (if applicable), owned by the person or firm originally platting the subdivision or a person or firm authorized by the Alabama Homebuilders Licensure Board to construct single-family homes, and ready for construction of a single-family dwelling.

(b) **Documentary Evidence** – Shall include:

1. A current and valid license issued by the Alabama Homebuilders Licensure Board or proof of ownership by the person or firm originally platting the subdivision.

2. Documentary evidence that the subdivision meets all subdivision regulations and has been approved by the appropriate governmental agency(s).

3. Documentary evidence of the date the subdivision was platted and recorded and the lots were fully-developed.

(c) **Effective Date** – This rule shall be applied to qualifying properties beginning with the ad valorem tax lien date October 1, 2011.

(d) **Home Builder** – A person or firm holding a valid and current license issued by the Alabama Homebuilders Licensure Board or who is otherwise authorized by the Board to construct single-family homes. Exemptions from the licensing provisions include:

1. General contractors holding a current and valid license, issued prior to January 1, 1992, under the provisions of Sections 34-8-1 through 34-8-27, Code of Alabama, 1975 and

2. Owners of property, when authorized by the Alabama Homebuilders

Licensure Board, to act as their own contractor, providing all material supervision themselves, when constructing single-family residences on such property for the occupancy or use of such owners and not offered for sale.

(e) Maximum Reclassification Period – For fully-developed lots the maximum reclassification period shall be limited to the Tax Years 2012 (lien date October 1, 2011) and 2013 (lien date October 1, 2012). In order for the reclassification to apply to Tax Year 2012 the application and required documentary evidence must be made on or before December 31, 2011. In order for the reclassification to apply to Tax Year 2013 the application and required documentary evidence must be made on or before December 31, 2012. Lots that are fully-developed after the effective date of this Act, September 1, 2011, do not qualify for reclassification.

(3) PROCEDURES – Fully-developed lots located within a platted and recorded subdivision as of September 1, 2011, having all available utilities in place, fully complying with the subdivision regulations applying to the subdivision (if applicable), owned by the person or firm originally platting the subdivision or a home builder, and ready for construction of a single-family dwelling may be reclassified from Class II property to Class III property for property tax assessment purposes based on the property owner filing documentary evidence with the proper local tax assessing official. The reclassification of qualifying fully-developed lots shall be limited to the maximum reclassification period. Lots that are or become fully-developed after the effective date of this Act, September 1, 2011, do not qualify for reclassification.

(a) The reclassification of fully-developed lots authorized by this Act shall terminate when one of the following occurs:

1. The reclassification has been in place for the maximum reclassification period.

2. The fully-developed lot is no longer owned by the person or firm originally platting the subdivision or home builder.

(a) If ownership of a qualified fully-developed lot that has been reclassified from Class II property to Class III property transfers from the person or firm originally platting the subdivision to a home builder, the reclassification will remain in effect for the remainder of the maximum reclassification period. After ownership transfers, the home builder will be required to apply for the remainder of the maximum reclassification period.

(4) APPLICATION PROCESS – The owner of a qualifying fully-developed lot must apply for reclassification with the local assessing official in the county where the property is located. The owner must file a completed Form ADV-45, including the proper supporting documentary evidence. Application may be made at any time the property for which application is being made meets all requirements and

qualifies for reclassification. The reclassification will be applied as provided in paragraph (e) of this rule.

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Authority: Sections 40-2A-7(a)(5), 40-2-11 and Act 2011-544, Code of Alabama 1975

History: