ROLE AND FUNCTION OF COUNTY

BOARDS OF EQUALIZATION

Alabama Department of Revenue
Property Tax Division

ROLE AND FUNCTION OF COUNTY BOARDS OF EQUALIZATION

4th Edition

This Handbook has been developed by the Center for Governmental Services, Auburn University and by the Department of Revenue, State of Alabama. The 1st edition was written by Gregg A. Morton and editions 2, 3, and 4 were significantly revised and updated by representatives of the Department of Revenue and Center for Governmental Services, Auburn University.

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CHAPTER I

THE ISSUE OF REAPPRAISAL

The History of Tax Inequalities in Alabama and Federal Intervention[1]

The Alabama Constitution of 1901 required all property to be assessed at 100 percent of its appraised value. This was the legal rate until 1935 when the Alabama Legislature passed the Revenue Act of 1935 lowering the assessment rate to 60 percent. The legislature took this action knowing the 100 percent rate was not being applied and believing the new rate would increase compliance.

Lowering the assessment rate was not an equitable answer to the state's ad valorem tax problems as evidenced in 1950 when the state sued Alabama Power for refusing to pay taxes at the 60 percent assessment rate. As its defense, Alabama Power argued that non-utility taxpayers were being assessed at a lower rate and the discrepancy violated the uniformity clauses of the state constitution. The Alabama Supreme Court found that "conformity and equality" superseded standard values and ruled that Alabama Power should be taxed at the prevalently applied rate of 40 percent (State v. Alabama Power).

In 1967, Louisville and Nashville Railroad used the same argument in having its assessment rate lowered from 40 to 30 percent. The Department of Revenue, reacting to the decision began assessing all utilities and railroads at 30 percent.

During the same year a sales/assessment ratio study showed non-utility property assessment rates were lower than 30 percent (ranging from 8 to 28 percent) and that these varying rates created a sort of intercounty struggle for lower taxes. In order to alter the situation a Joint Interim Committee, of the Alabama legislature, on Ad Valorem Taxation recommended a uniform ratio of 30 percent or less, and advised the state to either comply with its laws voluntarily or face judicial intervention. In response, the legislature passed Bill No. 502 during its regular session changing the assessment rate from 60 percent to a rate "not to exceed 30 percent" (Act 502).

Legislative concern over judicial intervention was well founded because in October of 1967, Martha Hornbeak filed suit against the state's Commissioner of Revenue, Phillip Hamm. The suit questioned the constitutionality of Act 502, that discrimination existed because tax assessors' applied rates varying from zero to thirty percent. The court ruled the question a matter of property rights, thus outside federal jurisdiction and the suit was dismissed. The decision was appealed to the U.S. Supreme Court where it was upheld.

This section was adopted from Keith J. Ward and Betty D. Sparkman's Property Tax Administration: Reappraisal in Alabama, pages 99-127.

Hornbeak filed another suit in Federal District Court with over 100 co-plaintiffs representing adult taxpayers, taxpaying corporations, and public school children. Harvey Rabren (new Commissioner of Revenue) became the defendant. The plaintiffs argued they were deprived of property without due process and that their (the children) education had suffered because of the money due the school systems. Evidence was submitted to the court and a motion was filed by the state for dismissal. The court accepted the motion for dismissal with respect to the adult taxpayers and one of four corporations. The school children and the three other corporations met the requirements for relief. The suit then became *Weissinger vs. Boswell* (Weissinger, a student, being the first plaintiff on the docket and Boswell the new Commissioner of Revenue, the defendant).

In its decision, the District Court found Act 502 in violation of Due Process and Equal Protection provided in the Fourteenth Amendment and ruled it unconstitutional. By declaring Act 502 unconstitutional the Court reinstated the 1935 Revenue Act and ordered the state to equalize assessments throughout the state.

To comply with the order to equalize assessments in Alabama, a statewide reappraisal was needed. In January of 1972 the legislature passed Act 160 to establish the method of reappraisal. This act provided that:

1) Department of Revenue was directly responsible for all work and must set all standards

2) In the event a county fails to comply, the Department of Revenue is required to assume responsibility for the county.

Reappraisal was then left to the counties subject to the approval of the Department of Revenue.

After an initial period of noncompliance by eleven counties, the Commissioner in September of 1978 reported that property in every county had been appraised in accordance with the standards established by the Department of Revenue. Values were not maintained following the reappraisal. As a result, assessment rates in the counties continued to vary and questions concerning the extent of assessment uniformity arose.

In December of 1979, the plaintiffs in the Weissinger decision petitioned the court for a review to examine whether the court order to equalize assessments within counties and between counties of Alabama had been followed. The Department of Revenue in response, asked for time to do a sales assessment ratio study and develop a plan for appraisal and maintenance. Alabama Power Company and South Central Bell meanwhile had entered into a contract to have a sales ratio study done to show that utility property in the state was assessed at its market value while commercial and residential property were not. Once this data was gathered, the utilities would petition the Court to order the valuation of their property at the same level as other property.

The Commissioner received the Department of Revenue's study on May 29, 1980 and found that commercial and residential property was not valued at market value. There also existed a wide variation in the assessment rate within counties and from county to county. With the knowledge that a new suit might be pending and that the court would rule as it had previously in lowering assessment rates for utilities, the commissioner ordered an appraisal update of current market value. This was to be carried out as a joint effort of the County Tax Assessor and the Ad Valorem Tax Division of the Department of Revenue. No contracts were issued to private appraisal firms as was done in the initial appraisal. The counties were to use their own personnel to complete the update by September 30, 1982. The new rules were to be the basis for ad valorem taxes beginning fiscal year 1983.

Once appraisals had been updated, it was of utmost importance that the state establish an ongoing maintenance program that would insure equitable property assessment. Today, a statewide appraisal and mapping maintenance program administered by the Property Tax Division of the Department of Revenue is now in place. Procedures for updating maps, appraising property and assessing values have been promulgated by the Department, and a major education program has been developed and implemented to professionalize ad valorem tax administration in Alabama.

Value Maintenance

Property value maintenance is the key to the state's legal mandate of valuing property uniformly and equitably. It is the role of all tax administrators including Board of Equalization members to maintain assessed values on tax rolls based on the property's fair and reasonable market value, not on outdated arbitrarily selected values. Because property values are constantly changing, it is necessary that they be updated periodically.

Equalization as defined by the International Association of Assessing Officers in *Improving Real Property Assessment* is the "process by which an appropriate governmental body attempts to ensure that all the property under its jurisdiction is assessed at the same assessment ratio or at the ratio or ratios required by law." In Alabama it is the responsibility of the Department of Revenue to equalize or cause to be equalized all property subject to taxation (*Code of Alabama* 40-2-11). This means that the Department of Revenue must make sure that assessment rates used in every county are the same as the rates prescribed by law.

Alabama uses a classification system that classifies property for different assessment rates. Four classes are used in Alabama and inclusion in any class is totally dependent on the type and use of the property. The classification of property is detailed in the *Code*, 40-8-1, as amended during the 1978 Second Special Session. The four classes of property and the assessment rate for each is as follows:

Class	Property Included	Assessment Rate
I	Property of utilities used in the business of such utilities	30%
II	All property not belonging to the other 3 classes	20%
III	All agriculture, forest and single family owner occupied residential property and historic buildings and sites	10%
IV	Private passenger automobiles and pick-up trucks, owned and operated for personal or private use by an individual	15%

These are uniform statewide rates and the success of an equitable ad valorem tax program depends on the proper use of these rates.

A statistical test was applied, sales/assessment ratio study, to determine the assessment rates used. The sales/assessment ratio study was an important tool of the County Tax Assessor and the Department of Revenue to assure maintenance of uniform rates as required in the *Code*. The sales ratio study involved a comparison of two sets of data: (1) appraised values (the amount on which property is taxed) and (2) sales price. On a single piece of property the ratio would look like this:

$$\frac{\text{Assessed Value}}{\text{Sales Price}} = \text{Assessment Ratio} \qquad \frac{\$7{,}500}{\$75{,}000} = 10\%$$

For a Class III property with a sales price of $75,000 and an assessed value of $7,500 the ratio would be .10 or 10 percent which for Alabama would be the correct rate.

Today, the Department of Revenue now conducts sales/appraisal ratio studies rather than sales/assessment ratio studies because we are concerned with appraised value rather than assessed value. In a sales/appraisal ratio study of an entire jurisdiction (county) an equation would be completed for each property in a randomly selected sample. From these ratios a county wide ratio can be found by using a measure of *central tendency*. Use of a central tendency statistic describes in one number the ratio at which property is appraised compared with the sales price. Three different methods can be used to describe the sales/appraisal ratio. The new formula is now:

$$\frac{\text{Appraised Value}}{\text{Sales Price}} = \text{Sales / Appraisal Ratio}$$

(See Table 1)

Median - This is the middle ratio when they are all placed in ascending order. When there are an odd number of cases the median ratio is the one placed at (n + 1)/2, n = number of ratios. If there were 41 cases the median would be (41 + 1)/2 = 21 in the placement. In other words there would be 20 cases smaller and 20 cases larger. When there are an even number of cases, the median is the midpoint between the two middle ratios. If there were 40 cases the median would be an average of the 20th and 21st case thus leaving 20 cases larger and 20 cases smaller.

Mean - The mean sales/appraisal ratio is simply the average of the ratios. It is found by adding the ratios and dividing the sum by the number of cases.

Weighted Mean - The weighted mean is the ratio of total appraised value to the total sales price. It is found by (1) adding the appraised values of the sample, (2) adding the sales prices of the sample, and (3) dividing the total appraised value by the total sales price.

Understanding the significance of a sales/appraisal ratio is very important to a member of a county's Board of Equalization. With the board's role as a review agency for protests, use of a statistical tool such as the sales/appraisal ratio assists in measuring the accuracy of an individual appraisal.

For ad valorem tax collections beginning October 1, 2004, the Department of Revenue began an “Annual Equalization” of property values state wide. The annual equalization uses a four year equalization cycle. In the first year, a county establishes a “base year” consisting of a construction cost index and a land valuation schema (rural large and small tract land schedule, residential base lot values, commercial land values and industrial land values were applicable). During the four year equalization cycle, each county is required to conduct a field review of 100% of the parcels in the county, in increments of 25% of the parcels annually. At the end of the four year cycle, each county is required to “reset” the base year values. Annually, the Department of Revenue uses two sales ratio studies in each county to determine the need for a reappraisal (Base Year Test Ratio—acceptable parameters: overall county wide median level of appraisal between 85% and 105% of market value) and evaluate the level of appraisal for ad valorem tax collections (Equalization Ratio—acceptable parameters: valuation zone median level of appraisal between 98% and 102% of market value; county wide coefficient of dispersion not greater than 20).

Table I
APPRAISAL / SALES RATIO

Property	Sales Price	Appraised	Sales/Appraisal
1	$75,000	$75,000	1.00
2	44,000	43,500	0.989
3	14,000	14,350	1.025
4	126,000	124,900	0.99
5	28,000	28,600	1.02

Median	Property	Sales/Appraised Ratio	
	2	0.989	
	4	0.99	
	1	1.00	Median Ratio = 1.00
	5	1.02	
	3	1.025	

Mean	Property	Appraised / Sales Ratio	
	1	1.0	
	2	0.989	
	3	1.025	Mean Ratio = 1.0048
	4	0.99	
	5	1.02	

Weighted Mean	Property	Sales Price	Appraised Value	
	1	$75,000	$75,000	
	2	44,000	43,500	
	3	14,000	14,350	Weighted Mean = 0.99
	4	126,000	124,900	
	5	28,000	28,600	
		$287,000	$286,350	

With the advent of reappraisal, "in house" appraisers, and increasing interest in equity, the Board of Equalization has become a review agency for property owners who wish to challenge the certified market value and resulting assessment of their property. By law the certified market value is *prima facie* correct for assessment[2] (Code 40-7-71). Values fixed by the Tax Assessing Official may be changed by the Board of Equalization only when there is an error in assessment or when a property owner can prove that the appraised value is not based on the property's fair and reasonable market value.

The ability to determine if proper appraisal and assessment methods are being employed is essential. The following section provides an overall understanding of the definition of value, the appraisal process, and the assessment process. It is believed that familiarity with this material will help Boards of Equalization to be better prepared to review protest of value.

In Jefferson County, the Board of Equalization and Adjustments retains all of the former duties.

CHAPTER II

PROPERTY VALUATION

PROCESS

Market Value of Real Property

Fair and reasonable market value is the basis of assessment of properties for ad valorem taxation in the State of Alabama. Market value is the amount that a property would bring if exposed for sale on the open market in a sale between a willing seller and a willing buyer, both aware of the uses of the property.

"Mass Appraisal" is the method used to appraise property for ad valorem tax purposes and after sufficient collection of market value data, analysis, application, correlation, and review, the "value" estimated reflects the "probable selling price" of the property.

The Alabama Appraisal Manual establishes the method, standards and procedures for the valuation of land and improvements in Alabama. The market data or sales comparison approach is used to establish land values, the cost approach is generally used in the valuation of improvements (i.e., buildings), and the income approach values property according to its income producing capability.

Market Data Approach

The Market Data Approach is essentially a method of estimating the price for which a property would probably sell by comparing its characteristics with those of similar or nearly similar properties which have sold recently. Market data valuation is based upon the principle of substitution which presumes a prudent purchaser will compare various desirable elements of the properties under consideration with those of similar or almost similar properties that have been sold recently and select the one that seems to him to be the "best buy" from a viewpoint of both needs and price. The approach also is based on the supposition that sellers will attempt to get the highest prices obtainable for their properties. These are the bases for the market data approach and they are the same whether the land being appraised is urban or rural land.

Listed below are a few general guidelines for the market approach:

1. Gather as much sales data as reasonable within a time frame.

2. Recognize "abnormal" sales.

3. Voluntary and fairly recent transactions should be considered.

4. Verify sales through the buyer, seller, real estate agent, or other parties having full knowledge of the sale.

5. Information obtained in a confidential manner is treated as such.

6. Information acquired is kept in an orderly, usable and accessible format.

Urban Land. Urban land is defined as nonagricultural property that is under the influence of commercial, industrial or residential zoning. For residential and commercial property, the appropriate unit of comparison will be determined from market data for property valuation purposes. Industrial land and large complexes such as shopping centers and motels are normally appraised according to square feet.

PROCESS: Since the entire market approach is based on comparing similar sales, the first step is to compile information on all sales involving urban land in the county. The needed information includes:

1. Date of sale
2. Seller
3. Buyer
4. Verified sale price of the property
5. Rights conveyed
6. Breakdown of land and improvements

Also, information is gathered on property on the market but not yet sold. This helps establish a value when sales are insufficient for conclusive results. For these properties, the "asking" price would set a ceiling and any legitimate offers would provide the floor. Between the two extremes--"ceiling" and "floor" of value, sales of comparable or nearly comparable properties (if sufficient in number to establish a pattern) provides a somewhat realistic indication of "fair and reasonable market value."

Doubtless anyone looking at the list above is aware a great deal of sales information must be processed. This is especially true for urban property where sales are more frequent. Each county appraisal office maintains as a component of their computer assisted mass appraisal (CAMA) system, a “sales file” that is a perpetual archive of all market sales judged to be valid.

Another component of market data collection is an urban land value map. On a blueline copy of the ownership map~~s~~, all unit prices (front foot, square foot, acres, lot, etc.), all necessary information regarding depth factors, corner influences, and all other information regarding the application of land value are documented. Information concerning the amount paid and date of each sale is posted to the sales maps, directly on the parcel of real estate involved in the transaction. (See Exhibit 2-1.)

ADJUSTING FACTORS: Regardless of the number of properties on which data is gathered, rarely will any property be exactly comparable. For this reason, adjustments in valuation are made, and these are usually due to front footage, depth, location, land pattern and time. An example of these concepts will provide a better understanding of the difference.

Front Footage. Using square footage, a department store with a street frontage of 300 feet and a depth of 100 feet, would have the same square footage as one with 100 feet of street frontage and a 300 foot depth. A store owner would usually prefer the lot with more frontage and be willing to pay a higher price for it.

Conversely, an industrial plant has no concern for "walk-in" traffic required in business districts and is indifferent to front feet (as long as, of course, access is available). Industry normally would not be willing to pay more for front footage, but rather is interested in the total square feet.

Depth. Depth influences are defined as increases or decreases in the value of lots because of depths greater or less than an adopted standard lot depth for the area. For both residential and business lots, most of their value is in portions nearest the street. The farther the parcel recedes from the street the less useful that portion of the lot becomes, and therefore, that portion of the lot has a lessor value.

To reduce all lots in an area to a like status, the depth factor for each lot which varies from standard depth is multiplied by the land value unit of that lot. The result represents the effective front foot value or land value unit of that particular lot as compared to the adopted standard depth lot.

In order to gauge such differentials more accurately, various lot depths--100, 125, 130, 135, 150 and 200 feet--are presented in the appendix of the *Alabama Appraisal Manual*. Before using any depth table, one must understand the principal of the "second lot." Lot depth in excess of the standard or predominant depth for the area, or neighborhood, under consideration constitutes the "second lot," which adds value to the property.

To use the depth tables properly, the depth chart which most closely reflects the standard depth of the area or neighborhood is selected. Then, through the use of market data, the more appropriate value percentage increase is determined. By way of illustration, assume a lot 75 x 88 has a land unit value (LUV) of $100. If the lot is located in an area where the standard depth is 100 feet, the depth factor is found in the Depth Factor Chart for 100 feet, which is presented in Exhibit 2-3. The calculation would be:

$100 x .96 = $96.00 LUV

Since the example was a less than standard size, the depth factor reduced the LUV. But changing the example to a 75 X 115, the computations would be:

100 x 1.03 = 103.00 LUV
(for the 13% added for second lot depth)

Both the standard depth and the percent added are chosen to reflect the results of the market data.

EXHIBIT 2-1

DEPTH FACTOR CHART FOR 100 FEET

(13% added for second lot depth)

Depth	Factor	Depth	Factor	Depth	Factor	Depth	Factor
10	.24	50	.73	90	.97	140	1.07
11	.26	51	.74	91	.97	145	1.08
12	.28	52	.75	92	.97	150	1.08
13	.30	53	.76	93	.98	155	1.09
14	.31	54	.76	94	.98	160	1.09
15	.33	55	.77	95	.99	165	1.10
16	.34	56	.78	96	.99	170	1.10
17	.36	57	.78	97	.99	175	1.11
18	.37	58	.79	98	.99	180	1.11
19	.39	59	.80	99	1.00	185	1.12
						190	1.12
						195	1.13
20	.40	60	.80	100	1.00	200	1.13
21	.42	61	.81	101	1.00	210	1.14
22	.43	62	.82	102	1.01	220	1.14
23	.44	63	.82	103	1.01	230	1.15
24	.46	64	.83	104	1.01	240	1.15
25	.48	65	.84	105	1.01	250	1.15
26	.49	66	.84	106	1.02	260	1.16
27	.50	67	.85	107	1.02	270	1.16
28	.51	68	.85	108	1.02	280	1.16
29	.53	69	.86	109	1.02	290	1.17
30	.54	70	.86	110	1.03	300	1.17
31	.55	71	.87	111	1.03	320	1.18
32	.56	72	.88	112	1.03	340	1.19
33	.57	73	.88	113	1.03	360	1.19
34	.58	74	.89	114	1.03	380	1.20
35	.59	75	.89	115	1.03		
36	.60	76	.90	116	1.04	400	1.20
37	.61	77	.90	117	1.04	450	1.21
38	.62	78	.91	118	1.04		
		79	.91	119	1.04	500	1.22
39	.63	80	.92	120	1.04		
40	.64	81	.92	122	1.05		
41	.65	82	.93	124	1.05		
42	.66	83	.93	126	1.05		
43	.67	84	.94	128	1.06		
44	.68	85	.94				
45	.69	86	.95	130	1.06		
46	.70	97	.95	132	1.06		
47	.71	88	.96	134	1.07		
48	.72	89	.96	136	1.07		
49	.73			138	1.07		

Location. Locational factors--social environment, proximity to schools, churches, markets, recreational facilities, hospitals, transportation, utilities, nuisances, and others--strongly influence market prices and tend to establish ranges or limits of value within the areas affected by them. For example, while a church, school, or hospital may be a distinct asset to a community, it usually has a depreciating effect on properties immediately adjoining it. Locational factors explain why a residence of certain specifications, quality of materials and workmanship located in one section will sell for a considerably higher price than its counterpart located in a less desirable section.

Land Pattern. The location on the street, i.e., whether the property is on a corner or the inside, influences value. Corner influence is seldom a factor in assessing corner lots in modern residential developments, with expansive front lawns or gardens. However, in the older, built-up residential sections, where lots are small and houses close together, there may be some justification for using corner premium factors on grounds of more light, air, and exposure than for inside lots. Where a material difference in corner and inside lot values exists, as indicated by market transactions and public perceptions, it is reflected on the tax roll, through the use of one of the corner influence tables found in the Manual.

Time. The final adjusting factor is time. With today's inflation, the time from the date of sale of the comparable properties to the date of appraisal becomes an important consideration. If a percentage increase (or decrease) can be related to time, it is included.

A SALES COMPARISON EXAMPLE: Using the process which has been discussed, application of the market approach to value the property can best be accomplished by looking at an example of a report an appraiser submitted to support a valuation.

Land value was estimated by comparing the subject lots with recent sales of similar lots in the neighborhood. Since most of the property in the area had been improved for some time, few land sales were available. Those described below had been confirmed and were representative of the market in the neighborhood.

<u>Land Sale A</u>

Sold March 1, 2010. The lot size is 80 x 100. It sold for $8,250 and develops a front foot price of $103.13. It is legally described as:

Lot 7, Block 1, Bethwood Terrace Subdivision.

This is a rectangular-shaped lot located approximately four blocks north of the subject property and it has 80 feet of frontage on Second Avenue, South. It is in the same neighborhood with like surroundings, except it is free of the industrial zoning influence which affects the property under appraisement. This lot is high and dry and has been improved with a single-family residence since the time of sale. It was a free market transaction and, is considered comparable to the subject site.

Land Sale B

Sold March 1, 2010. Lot size is 85 x 100 feet. This property sold for $8,750, reflecting a front foot price of $102.94. Legal description:

Lot 1, Block 8, Bethwood Terrace Subdivision.

This is also rectangular in shape and located approximately four blocks north of the subject property. It is adjacent to the lot described in Land Sale A. It has 85 feet of frontage on Second Avenue, South, and is also a high and dry lot, located in the same general area as the lot under appraisement. The purchaser has since improved the lot with a single-family residence. It was a free market transaction and, is considered comparable to the site appraised.

Land Sale C

Date of sale, January 4, 2010. Lot size, 80 x 125 feet. Sale price, $8,850. Indicating a front foot price of $110.63. Legal description:

Lot 3, Block 3, Woodstock Subdivision.

This property is located approximately five blocks west of the one under consideration and in a newer area, which is developing rapidly with single-family homes in the $32,500 to $40,000 price range. It has no undesirable influences. This sale was a free market transaction and is comparable to the subject site.

Land Sale D

Sold April 1, 2010. Lot size, 85 x 125 feet. Sale price $8,900, or $104.71 per front foot. Legal description:

Lot 12, Block 20, West Central Avenue Subdivision.

This site is located some two and one half blocks east of the subject property and is adjacent to a main railroad track. It has the same physical characteristics as the subject property.

Conclusion: After comparing the subject site with the above market sales and considering the differences in time, size, location, and desirability (in the manner shown as Exhibit 2-4), it is the appraiser's opinion the subject site is more nearly comparable to Sale B which needed a minimum of adjustment. The other three sales also support Sale B, but are located farther from the subject lot. For this reason, more weight was given Sale B.

EXHIBIT 2-2

SALES COMPARISON ANALYSIS

	Property Under Appraisement	Sale A	Sale B	Sale C	Sale D
Sold		3-1-10	3-1-10	1-4-10	4-1-10
Sale Price		$8,250	$8,750	$8,850	$8,900
Frontage	86 ft.	80 ft.	85 ft.	80 ft.	85 ft.
Sales Price Per Fr. Ft.		$103.03	$102.94	$110.63	$104.71
Depth	106 ft.	100 ft.(avg.)	100 ft.(avg.)	125 ft.(-5)	125.ft.(-5)
Location		Same	Same	Better (-3%)	Poorer (+3%)
Land Pattern	Corner	Inside (+3%)	Inside (+3%)	Inside (+3%)	Inside (+3%)
Other	None	None	None	None	None
Net Adjustment		(+3%)	(+3%)	(-5%)	(+1%)
Time Factor		None	None	None	None
Adjusted Price Per Fr. Ft.		$106.22	$106.03	$105.10	$105.76

It is the appraiser's opinion the front foot value applicable to the property under appraisal is $106 per front foot, a depth factor adjustment of 1.02 x 86 front feet = $9,298 rounded to $9,300.

Rural Land. Rural land is defined as the more remote, outlying areas that have a low population density. The land is usually undeveloped or used for agricultural, mineral, recreational, or residential purposes. There may be a scattering of residential, commercial, and industrial areas, particularly at important road intersections and frontages on access roads serving interstate highways. Rural land is valued in direct proportion to its area, location, fertility, topography, and the quantity of natural resources, and is valuable to the extent it incorporates these and other physical attributes.

As a general rule, the market in rural land is difficult to interpret for several reasons. First, fewer farms are sold than properties in urban areas. Second, sale prices on farms vary widely due to difference in soil characteristics, location (especially proximity to markets), accessibility, type of road, drainage, crop allotment, improvements, equipment, livestock, and growing crops.

Where the real estate market in a county is active, sales data for one year preceding the appraisal date may be sufficient for use in establishing values. On the other hand, if sales are few and far between, it may be necessary to go back two or more years for needed data. In that event, adjustments for time differentials are extremely important.

PROCESS: Data on rural and urban property sales are compiled in the same way. Reports are made and duly recorded in the same way. Reports are made and duly recorded on the map. Due to the relative scarcity of sales, a county map is used.

ADJUSTING FACTORS: As with urban property, when sales data are compiled, adjustments are made to reflect the value of the land solely. These considerations usually include crop acreage allotments, time, location and improvements.

Allotment. In the case of land producing such field crops as cotton, corn and peanuts, crop allotments can be extremely important and must be taken into account in the sales analysis and determination of basic land units. When obtainable, comparison of actual income data on farms, both with and without crop allotments, offers what some consider the best approach. One practical solution results from requesting the opinions of successful farmers as to what percentage of value an allotment adds to land.

Crops and Timber. The value of all agricultural crops and timber located on property at the time of sale must be abstracted from the sale price to establish market value of raw land.

Personal Property. When a rural property sale includes personal property items such as equipment, livestock, etc., the appraiser must remove them from the purchase price.

Time. In making the time adjustment just as for urban land, the appraiser should be careful to consider any material change in rural land values during the interim.

Location. In some taxing jurisdictions throughout the country, it has been the practice of appraisers to add 5 to 10 percent to the value of the land for proximity to market or frontage on a paved road, and to deduct a like amount when the land was fronted on an exceptionally poor road or was a long distance from the nearest town or market. In areas where there are crop allotments the incremental percentages used for land with allotments are usually higher than those applied to road, location and other factors.

Any sound, practical method of increment for location on a paved road, proximity to market, or crop allotment can substantiate differentials in value derived from income analyses and/or actual sales of comparable properties. For example, if farms of a certain type are selling at an average price of $600 per acre and farms of the same character on a good paved road are selling at average prices of $630 per acre, the added value for the road would be 5 percent. Those best informed on farm values are prone to express such factors in terms of percentages, but they are based on experience in the area of operation and not arbitrary figures. The proper procedure is to raise the value per acre to properly reflect any benefits, and lower unit values to indicate reverse conditions. The appraiser looks to the market place in fixing land value units and existing differentials.

Improvements. The sale of most rural property includes buildings and equipment, but the appraiser removes them from the purchase price to obtain the fair and reasonable market value of the land. Where improvements are present, the appraiser must be especially careful to discount their influence on the sale. (Improvements to rural land as well as urban land are best valued by the cost approach which is discussed later.)

Land Classification. The final consideration in rural land valuation is the assignment of a class, which is based on the productivity level of the soil. In this system there are three major classes and nine sub-classes described as follows:

A. Farmland	**B. Pastureland**	**C. Timberland**
A-1 Above Average	B-1 Above Average	C-1 Above Average
A-2 Average	B-2 Average	C-2 Average
A-3 Below Average	B-3 Below Average	C-3 Below Average

All rural property is assigned one of the sub-classes.

Now two examples, adapted from the *Alabama Appraisal Manual*, are presented to insure a better understanding of the valuation of rural land using market approach.

EXAMPLE 1: A 250-acre tract was sold in 2010 for $143,500. Equipment, livestock, and growing crops were not included in the transfer. A livable tenant house was located on the property. It is vacant at present, and the new owner says he does not need it and did not regard it as having any value when he purchased the tract.

A personal inspection and careful interpretation of the aerial photograph show 60 acres of cut-over timber land and 190 acres of Class A-2 land. The buyer says he was primarily interested in the farm land but, in his opinion, $300 an acre is the approximate fair value of the cut-over timber land.

Inquiries among several land owners verify this opinion of $300 per acre as a reasonable value. There was not merchantable timber involved. The buyer states he bought the land primarily for the production of soy beans.

Purchase price	$143,500
Less 60 acres timber land @ 300	$ 18,000
Price of 190 acres A-2 land	$125,500
Value of A-2 land per acre (125,500 / 190 acres)	$ 660

EXAMPLE 2: The selling price was $328,000. The property was conveyed in 2008, but farm values had not changed materially in the two-year interim. Inquiries revealed that it was a bona fide transaction; that the improvements had a value of approximately $27,000 and that growing crops, livestock, and farm machinery and equipment were not included in the transfer. According to reliable information, the farm contained 200 acres of Class A-2 land, 150 acres of class B-3 land, and 150 acres of C-2 (Timberland) , of which $66,000 worth of merchantable timber was on property at time of sale.

The farm is located on a good paved road. This property is within twenty miles of a city with a population of 100,000. There does not appear to be any demand for land in the vicinity for residential or industrial development. Interviewed were the purchaser, a representative of the insurance company which financed the transaction, a broker specializing in rural property, and others well informed on values. It was the consensus of those consulted that location near the city market did not influence the value of the subject farm. It was also determined through sales in the area that the market value of B-3 land was $400 per acre and C-2 land was $300 per acre.

In order to determine the value of raw land the following adjustments had to be made for the land study, as follows:

Total Sales Price		$328,000
Exclusions		
Buildings	27,000	
Timber Value	66,000	
Total Exclusions	93,000	
Indicated Sale Price of Land		$235,000

This indicates a value of $470 per acre for this 500 acre tract. However, a per acre value of each classification must be determined for this sale.

Indicated Sale Price of Land	$235,000
Less 150 acres B-3 @ 400	$ 60,000
Less 150 acres C-2 @ 300	$ 45,000
Price of 200 acres A-2 land	$130,000
Value of A-2 land per acre (130,000/200 acres)	$ 650

Therefore the process has derived an estimated value per acre for Class A-2 land as $650 per acre on this example and $660 per acre for A-2 land on example one.

Rural Land Schedule. Market data for every subclass of property is compiled in the manner outlined above. This compilation evolves into the county's rural land schedule, in which a per acre value is assigned for every sub-class and then applied to all property in the county that qualifies for that sub-class. These values may vary by county since soil quality, supply and demand are obviously not uniform among counties.

Application: The final step in the valuation of rural land is the application of the values in the schedule to all the rural property in the county. Even though the classes are to help standardize rural land valuation, the appraiser then makes data supported adjustments.

Small Tract Schedule. A small acreage tract schedule will be prepared based on the sale of small acreage. The acreage cut-off will be determined by the market study.

Cost Approach

Under the mass appraisal program, improvements are valued by the cost approach. This method is based on the concept of replacement cost new (RCN) minus depreciation, whereby the current construction cost is determined, through a fairly complex computational procedure. Because of the complexity of the process the following discussion will deal in very general terms.

PROCESS: As the mapping process is completed, the documents are given to the appraiser. Existing property record card(s) (PRC) are sometimes used for all affected parcels or blank cards are prepared. All changes must then be field reviewed if they are not just computational updating.

The field inspection includes three duties--measurement, diagram and construction data collection. The field worker measures the main part of the structure, all appendages and detached buildings. The structure is then diagramed in the grid supplied for that purpose on the PRC. Each diagram includes area measurements, labels of appendages and indication of story heights through the use of standard symbols found in the *Alabama Appraisal Manual*.

Finally, construction data is compiled under the parameters shown on the PRC. The information gathered consists of:

1. Foundation type
2. Exterior walls
3. Roof type
4. Roof material
5. Floor type
6. Interior finish
7. Electricity
8. Plumbing
9. Plumbing, special features
10. Heating-air conditioning
11. Adjustments[3]

Another phase of the construction data is the assignment of classes which is based on the quality of workmanship and material, realizing this reflects costs. Classes range from Class S (special),

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Adjustments allow for special variations in construction.

for mansions, to Class F, the low cost structure constructed for its utility with no thought given to design or appearance. The classification system also employs plus (+) or minus (-) designations to recognize costs due to features which cannot be expressed elsewhere in the construction data.

With the conclusion of the data collection in the field, the appraiser returns to the office to compute a "replacement cost new" (RCN). This, when discounted by depreciation will net the appraised value of improvements.

Steps of the Cost Approach

1. The appraiser measures, diagrams and compiles construction data on the structure.
2. The class and construction units are assigned; the sum being the total units.
3. The base area, which is the ground floor area of the "finished" sections of the structure, is derived.
4. The base rate corresponding to the base area is found from the appropriate base rate table for the improvement type in the *Manual*.
5. The base rate is multiplied by the construction units, which were converted to a decimal, the resulting figure being the adjusted rate.
6. The adjusted rate is multiplied by the adjusted area (base area plus all other upper floor living area and appendage areas). The product is then combined with the dollar amount of any extra features (plumbing, heating and cooling, etc.) resulting in the base cost of the building.
7. The base cost of the building is multiplied by the county construction cost/location index which results in the replacement cost new.
8. The replacement cost new finally is multiplied by a percent which discounts for depreciation. The product is the appraised value of the improvement under the cost approach.

The following example will aid in visualizing the process:

Base Area	2000 S.F.
Appendage Adjusted Area	61 S.F.
Total Adjusted Area	2061 S.F.
Improvement Type Code	111
Class	C
Construction Units	106 Units
x Base Rate	$ 44.46
= Adjusted Rate	$ 47.13
x Adjusted Area	2,061 S.F.
= Sub Total	$ 97,135
+ Extra Features	9,930
= Base Cost	$107,065
x Location Index	1.06
= Replacement Cost	$113,489
x Condition	85%
= Value	$ 96,466
= Improvement Value Rounded To...	$ 96,500
+ Land value	$ 30,000
= Total value	$126,500

Income Approach

The third approach to value is the income approach. The income approach may be used along with the market and cost approach as deemed necessary to establish the value of the property. The value reached from application of the income approach represents an estimate of the price a prudent investor would likely pay for future benefits of ownership of a certain property in comparison with other parcels of revenue-producing real estate, or other forms of investment available. Below are two examples when the income approach is used:

1. Although an apartment complex is structurally sound and the cost approach recognizes this, the fact that occupancy rate is low due to the opening of an airport runway behind it, greatly diminishes its "fair and reasonable" value; or

2. Although a "Zippy Mart" is located on prime commercial property, the new all-night discount grocery store across the street decreases the value of the property as long as it remains a small grocer.

PROCESS: The first step in the income approach is the acquisition of income and expense data of the property, including operating statements, existing leases and renewal option for the present year and for the past three, four or five years. Also, when applicable, rental rates for both the property under appraisal and similar properties are gathered. These data are compiled for one purpose: The past operating history of the property is relevant only to the extent it supplies an indication of what might reasonably be expected in the way of future income. It may offer good evidence of what is expected and it is the future income the prospective purchaser is buying.[4]

If the income data is not immediately available or in the proper order, the appraiser looks further or interprets the available data to discern the necessary information. With the collection of the necessary information, an estimation of the potential annual gross income expectancy including an allowance for normal vacancy and rent loss, is made. Through simple subtraction of valid expenses from gross income, net income may be derived. A properly calculated annual net income provides the basis for the income approach to valuation.

Average annual income and expenses are used, provided they have been relatively stable for the period covered by operating statements examined and there is ample evidence such conditions will continue. On the other hand, if the present trend was upward or downward, as revealed by past operating records, prevailing economic conditions, or other factors, more weight is given to operating experience of the latest year or two, and present economic barometers. In such instances, necessary adjustments are made of income and expense statements to properly reflect what might reasonably be expected in the near future.

The next step in the valuation process is to estimate the remaining useful or economic life of the property improvements in order to establish a probable duration of income and the rate of recoupment of capital invested.

Remember, the definition of fair and reasonable market value, which governs valuation in this State.

Once the above steps have been accomplished, some form of valuing the net income must be used. Two methods--gross income multiplier and capitalization rate are most prevalent.

Gross Income Multiplier. The gross income multiplier, sometimes referred to as a "conversion factor" is simply the ratio of gross income to value. In evaluating income-producing properties, especially where a satisfactory pattern of similar properties previously sold can be established, gross income multiplier is the method most often relied upon by Tax Assessors, because of its simplicity in application. It converts income into a value estimate by a single operation--multiplication of gross income by a factor. In applying this method, the appraiser has assembled and carefully examined the available sales and rental records to ascertain prices at which properties comparable or nearly comparable to the one under appraisal have been sold and what rentals they command. He then has divided the typical sales price by the typical rent and secured the gross income multiplier. This factor, applied to the rent being received or reasonably expected from the property, produces the estimates of value.

The method is applied where there exists a relatively high degree of standardization of properties from which to obtain the factor used. The gross income multiplier is sound when based on several property transactions.

Capitalization Rate. The capitalization rate is an economic term which means the value of capital. This rate is found through a careful study of prevailing interest rates in the area and what a prudent investor in properties of the type under appraisement would require as a return on investment.

The final step in the income approach is the conversion of estimated net income into an appraised value through the use of a capitalization process.

With the use of a capitalization rate, the net income is divided by the rate to likewise determine the appraised value.

Summary.

The six major steps involved in the income approach, are:

1. An estimation of the potential annual gross income expectancy, including provisions for reasonable or normal vacancy allowance and rent collection loss;
2. An estimate of average annual expenses;
3. Estimated resultant average annual net income;
4. An estimate as to the remaining useful or economic life of property improvement, in order to establish a probable duration of income and the rate of recoupment of capital invested;
5. Selection of either the gross income multiplier or capitalization rate method;
6. Conversion of estimated net earnings or cash flow into capital value through a capitalization process to obtain an appraised value.

An example is shown as Exhibit 2-3.

EXHIBIT 2-3

OPERATING STATEMENT
(Apartment Complex)

Gross rental schedule (15 units @ 350/month)	$63,000
Loss: Vacancy and rent loss (5%) Effective gross income	 3,150 59,850
Expenses: Taxes Insurance Management fee Repairs Miscellaneous Expenses Net Income	 4,410 3,150 3,780 9,450 1,000 $38,060
[Taxes should not be included if they are part of the capitalization rate as effective tax rate.]	

Gross Income Multiplier		Capitalization Rate	
Typical sales price of comparable properties	$400,000	Net Income	$ 38,060
Typical yearly rent received from comparable properties	$ 65,000	Capitalization rate	.10
Gross income multiplier	6.15	Appraised value	$380,600
Application of factor	$ 63,000 x 6.15 = $387,450		

Current Use

Amendment 373 to the Alabama constitution established a new type of value in this state. "Current Use" valuation is based on the use to which the property was put on October 1 of the tax year rather than the "highest and best use" put forth under market valuation.

Current Use valuation is limited to property legally classified as Class III, and must be requested by the owner. This request must be in the form of an application published by the Department of Revenue. (The form is ADV 31, "Application for Current Use Appraisal for Class III Property," shown as Exhibit 2-6).

PROCESS: In determining the Current Use valuation of eligible Class III property, the following guidelines apply:

Residential Property (Which is being used exclusively as a single-family dwelling by the owner thereof.) If the current market value is significantly increased because of the property's location which in turn makes its "highest and best use" something other than residential property (e.g. commercial) then the appraiser shall value such residential property at a reduced value. The land will be valued according to similar residential property but excluding that part of its value which is attributable to its possible use as something other than an owner occupied dwelling (e.g. commercial, etc.).

Cropland and Pastureland. Current Use value for these properties is pre-determined by the Property Tax Division using the formula outlined in the Code of Alabama (40-7-25.1).

Historical Buildings and Sites. Historical buildings and sites which are listed in the National Register of Historic Places 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.[5]

These guidelines were established by Department of Revenue in the Property Tax Equalization Plan, adopted October 1, 2008.

PROCESSING CURRENT USE: The procedures involved in determining Current Use value are outlined above. Once determined, however, the Current Use property still must be assessed (*Code* § 40-7-25.1).

DENIAL OF CURRENT USE VALUE: If the Tax Assessor denies the application for Current Use valuation, he notifies the taxpayer in writing. The denial of Current Use application allows the taxpayer to appeal the decision to the Circuit Court (*Code* § 40-7-25.2).

CONVERSION OF CURRENT USE: 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 Alabama 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.

EXHIBIT 2-4

APPLICATION FOR CURRENT USE APPRAISAL
FOR CLASS III PROPERTY

The undersigned hereby applies to the Tax Assessor of ____________________ County, Alabama, to have the following described real property appraised for Ad Valorem Tax purposes at Current Use value.

I. Taxpayer:

Present Ownership: ____________________

Mailing Address: ____________________

Telephone Number: ____________________

II. Description:

Uniform Parcel No.:

CO.	TWP	AREA	SEC	1/4 SEC	BLK	PARCEL

Attach Aerial Photographs, If Available

Other Description: ____________________

____

____

Current Use of Property:

a. Row Crop: ____________________ Acres
b. Pasture Land: ____________________ Acres
c. Timber Land: ____________________ Acres
d. Homesite: ____________________ Acres
e. Historic Building or site: ____________________ Acres
f. ____________ ____________________ Acres

Total Acreage: ____________________ Acres

III. Other Information:

Is all or any part of the above described property zoned by any governmental body or agency?

____________ YES ____________ NO

If yes, for what purpose? ____________________

If property purchased within past five (5) years..

a. Date of Purchase: ____________ Deed Book ____________ Page: ________

b. Purchase Price: $ ____________________

c. Bought for ____________________purpose: (Farming, Timber, Investment, Development, etc.)

d. Value of Improvements, Timber, Allotments, Mineral Rights, Etc. that were included in the purchase price is estimated as follows:

____________________________________ $ ____________________
Description Value

Taxpayer Remarks: ____________________

____

Signature: ____________________

Position: ____________________

Firm: ____________________

Subscribed and sworn to before me this _______ day of _________________, 20________

____
Notary Public

Market Value of Business Personal Property

Business Personal Property like the real property we have been discussing is to be appraised and assessed for ad valorem taxation. Market Value of business personal property has been defined by the United States Supreme Court as the price that dealers in goods are willing to receive and purchaser are willing to pay when goods are bought and sold in the ordinary course of trade. To arrive at market value requires the appraisal of business personal property using a *mass appraisal system*.

In 1988, the Ad Valorem Tax Division of the Department of Revenue developed and put into place the system for uniform appraisal and assessment of business and personal property. The principles and approach to valuating business personal property are the same as used to value Real Property. The methods and technique for valuating business personal property are found in the *Alabama Personal Property Appraisal Manual*.

CHAPTER III

ASSESSMENT

The Assessment Process

After the appraisal and before any tax is collected, property is assessed. The *Code* requires assessment to be done by the county tax assessor/ revenue commissioner on all real and personal property not reserved by law for the Department of Revenue to assess (*Code* § 40-7-1).

Assessment is a cyclical process whereby the ending of one cycle triggers the beginning of another. For this reason it is difficult to know where to start a chronological discussion of assessment. Admitting this, the beginning of a tax year was picked as the assessment debut.

PROCESS: Every year between October 1 and December 31, all owners required to return assessments appear before the county tax assessor and render under oath a full and complete list of all property which they own or for which they serve as agents (*Code* § 40-7-1).

In addition to the regular assessment period, the 1981 Legislature passed a law allowing assessments before October 1. The law (Act 81-694) provides that persons who have purchased or made improvements on property may have that property assessed anytime between January 1 and September 30 for the next year's tax roll rather than waiting until October 1 (*Code* § 40-7-2.1).

Requirements for returning the assessment on Real Property vary among counties because of local legislation, known as a perpetual assessment. It allows the Assessor, upon taking office or beginning a new term, to decide whether all property owners must make returns every tax year or whether the assessment on record will suffice as long as no changes concerning the property and effecting the assessment have occurred (e.g., new owner, addition or improvement, deletion of improvement).

ASSESSMENT RETURN: Regardless of who has to appear before the assessor, those who do, provide information to a member of the assessor's staff. The tax assessor/ revenue commissioner or his deputy or any other officer waiting on a person making his return of property for taxation orally administer an oath before accepting the return. The clerk questions the person to elicit the following information:

1. Owner's name
2. Complete, legal description of the property
3. Owner's address
4. Type of exemption, if any, claimed
5. Owner's estimate of the property's fair and reasonable market value

The information is placed on an assessment sheet which varies in format from county to county. Example of an assessment sheet is shown as Exhibit 3-1.

The owner's estimate of value is placed in a column along side the value from the previous year. At this point the taxpayer's responsibility ceases until the next year, or if the perpetual assessment provision is invoked, until a change in the property occurs.

The sheet is then filled out in its appropriate place and becomes a part of the tax roll. The owner's estimate may be used until an appraisal is made of the property.

EXEMPTIONS: During the assessment return, the taxpayer must be questioned as to any exemptions to which he is entitled. These exemptions are broken down into three types-homestead, business and industrial.

Homestead. A homestead is defined as a single-family owner-occupied dwelling and the land thereto not exceeding 160 acres. The *Code* establishes separate categories of exemption on such homesteads.

For persons *under* age 65, the *State Homestead* exemption may not exceed $4,000 in assessed value, while the *County Homestead* exemption may not exceed $2,000 in assessed value unless the County Commission by resolution increases the exemption to $4,000 in assessed value. Homesteads within municipal limits *are not* exempt from municipal taxes unless the governing body grants an exemption which can not exceed $4,000 in assessed value. County or municipal ad valorem taxes for school purposes are *excepted* from these exemptions (*Code* § 40-9-19).

Homesteads of these persons *over* 65 years of age or retired due to permanent and total disability regardless of age, or who are blind are exempt from state ad valorem taxes. Persons *over* 65 years of age who have an adjusted gross income of *less* than $12,000, or who are retired due to total and permanent disability regardless of age, or those who are blind regardless of age, are exempt up to $5,000 in assessed value including taxes levied for school districts. County Homestead exemptions for owners over 65 years of age with a gross income of $12,000 or more may not exceed $2,000 in assessed value and school taxes are *excepted* from this particular exemption.

The final category is for persons 65 years of age or older who have a net taxable income of $7,500 or less; or who are totally disabled, regardless of age. Homesteads of these persons are exempt from all ad valorem taxes (*Code* § 40-9-21).

Business. Some property is exempt by virtue of being owned by persons or organizations which are awarded tax exempt status by the legislature.

INDUSTRIAL: Abatement of taxes are provided to certain industrial concerns under the provisions of the *Code* § 40-9B-1 through 40-9B-12. In order receive the abatement the industry must be a qualifying industry and the abatement must be granted by a municipality, county, or industrial development authority. The abatement does not apply to school ad valorem tax nor can the abatement exceed ten (10) years.

CALCULATING TAXES: Once the tax assessor receives the appraiser's value he calculates the taxes owed on the property. Four steps are involved:

1. The Tax Assessor places the property in its proper class to determine assessment ratio.

2. The Tax Assessor multiplies appraised value by the appropriate assessment ratio to find assessed value.

3. The Assessor then multiplies the assessed value by the proper millages for state, county and all other appropriate ad valorem taxes.

4. To this total amount of taxes, the Tax Assessor's and Collector's fees are added to arrive at the total amount owed.

If the Tax Assessor's value is equal to or less than the taxpayer's previous assessment, the value is considered final. On the other hand, if the assessor's value is higher, the owner is notified of the new value and his right to appeal. See Exhibit 3-2. Should the taxpayer object to the new value and an agreement cannot be reached at an informal hearing held with the county appraiser or with an agent of the Department of Revenue, the matter then goes to the County Board of Equalization. The following discussion examines the legally mandated makeup and duties of the Boards of Equalization.

Elmore County Alabama

MIKE HARPER
REVENUE COMMISSIONER
ASSESSMENT RECORD - 2012

PO BOX 1147
WETUMPKA, AL 36092-1147
Tel: (334) 567-1120
Printed On: 11/28/2011

PARCEL: 08 03 08 0 001 001.000
CORPORATION: I
OWNER: HOLMES OLIVER W JR & AMELIA H

ADDRESS: 2100 BISHOP POINTE
MARIETTA, GA 30062

LAND VALUE 10% $0
LAND VALUE 20% $352,000
CURRENT USE VALUE $0

EXEMPT CODE: 0 **MUN CODE:** 01 COUNTY
OVER 65 CODE: **DISABILITY CODE:** **EXM OVERRIDE AMT:** $0
PROPERTY CLASS: **SCHOOL DIST:** 0A **HS YEAR:** 0
OVR ASD VALUE:

TOTAL MARKET VALUE: $352,000

☐ BOE OVERRIDE

CLASS USE 0
FOREST ACRES: 0 **TAX SALE:** **ASSMT. FEE:**
PREV. YEAR VALUE: $352,000 **BOE VALUE:**
PARENT PARCEL:
REMARKS:
Last Modified: **8/13/2011 1:11:44 PM**
FIRE FEE
Property Address: LOT 56 THE RIDGE PHS II ECLECTIC
Contiguous Parcels:

NOTICE
This is NOT a final assessment!
2012 Assessment(s) remain subject to change at this time! Grand total does not include fire fee(s)
Fire Fee=$50/dwelling-$100/business

CURR ASSMT: [NONE] PRINT MTG CODE : - LOAN : ACCOUNT NO : **604110**

ASSESSMENT/TAX

	CLASS	MUNCODE	ASSD. VALUE	TAX	EXEMPTION	TAX EXEMPTION	TOTAL TAX
STATE	2	01	$70,400	$457.60	$0	$0.00	$457.60
COUNTY	2	01	$70,400	$598.40	$0	$0.00	$598.40
SCHOOL	2	01	$70,400	$281.60	$0	$0.00	$281.60
DIST SCHOOL	2	01	$70,400	$211.20	$0	$0.00	$211.20
CITY	2	01	$70,400	$0.00	$0	$0.00	$0.00
FOREST		01	$0	$0.00	$0	$0.00	$0.00
AMD778	2	01	$70,400	$211.20	$0	$0.00	$211.20

ASSD. VALUE: $70,400.00 $1,760.00 **GRAND TOTAL:** **$1,760.00**

INSTRUMENTS

INST NUMBER	DATE
2004-075256	9/30/2004
2004-075256	9/30/2004
61-111	3/29/1927

SALES INFORMATION

SALE DATE	SALE PRICE	SALE TYPE	RATIOABLE
No Sales Information on Record			

LEGAL DESCRIPTION

MAP NUMBER: CODE1: 9999 **CODE2:**
SUB DIVISON1:
SUB DIVISON2:

MAP BOOK: 61 **PAGE:** 111
MAP BOOK: PAGE:

PRIMARY LOT: 56 **PRIMARYBLOCK:**
SECONDARY LOT: **SECONDARYBLOCK:**

SECTION1 08 **TOWNSHIP1** 20N **RANGE1** 22E
SECTION2 **TOWNSHIP2** **RANGE2**
SECTION3 **TOWNSHIP3** **RANGE3**
SECTION4 **TOWNSHIP4** **RANGE4**
LOT DIM1 0.00 **LOT DIM2** 0.00 **ACRES** 0.460 **SQ FT** 20,037.600

METES AND BOUNDS: LOT 56 THE RIDGE PHASE II 14/48 (.46AC0 SEC 8 T20 R22
REMARKS:

Tax Year	Entity Name.	Mailing Address
2012	HOLMES OLIVER W JR & AMELIA H	2100 BISHOP POINTE, MARIETTA GA - 30062
2011	HOLMES OLIVER W JR & AMELIA H	2100 BISHOP POINTE, MARIETTA GA - 30062
2010	HOLMES OLIVER W JR & AMELIA H	2100 BISHOP POINTE, MARIETTA GA - 30062
2009	HOLMES OLIVER W JR & AMELIA H	2100 BISHOP POINTE, MARIETTA GA - 30062
2008	HOLMES OLIVER W JR & AMELIA H	2100 BISHOP POINTE, MARIETTA GA - 30062
2007	HOLMES OLIVER W JR & AMELIA H	2100 BISHOP POINTE, MARIETTA GA - 30062
2006	HOLMES OLIVER W JR & AMELIA H	4795 CONVERSE CT, MARIETTA GA - 30062
2005	HOLMES OLIVER W JR & AMELIA H	4795 CONVERSE CT, MARIETTA GA - 30062

EXHIBIT 3-2

VALUE NOTICE

THIS IS NOT A TAX BILL

IN ORDER TO BRING ASSESSMENTS THROUGHOUT THE STATE OF ALABAMA INTO CONFORMITY WITH REQUIREMENTS OF *TITLE 40* CODE OF ALABAMA -1975, THE ALABAMA DEPARTMENT OF REVENUE *ORDERED* ELMORE COUNTY TO VALUE ALL PROPERTY LOCATED IN THE COUNTY ACCORDING TO ITS MARKET VALUE AS OF (PRIOR) OCT. 1. YOU ARE HEREBY NOTIFIED ELMORE COUNTY'S MARKET VALUE ESTIMATE APPEARS ON REVERSE OF THIS *NOTICE* UNDER HEADING **"PROPERTY VALUE"**. SHOULD YOU DETERMINE THIS ESTIMATE DOES NOT REASONABLY REPRESENT *MARKET VALUE* AND YOU HAVE INFORMATION OR EVIDENCE YOU WOULD LIKE TO PRESENT SUBSTANTIATING YOUR DETERMINATION, YOU MAY FILE **WRITTEN** OBJECTION TO THE COUNTY'S ESTIMATE AND REQUEST HEARING WITH:

BOARD OF EQUALIZATION, P.O. BOX 1147, WETUMPKA, AL, 36092-1147.

OBJECTION(S) MUST BE IN WRITING & POST MARKED WITHIN THIRTY (30) DAYS OF "NOTICE DATE".

THIS IS NOT A TAX BILL

Elmore County Appraisal Department
P.O. Box 1147
Wetumpka, AL 36092-1147
(334) 567-1117 - (334) 514-3351

NOTICE OF VALUE

FIRST CLASS
U.S. POSTAGE
PAID
WETUMPKA, AL
PERMIT NO. 23

THIS IS NOT A TAX STATEMENT.

NOTICE DATE	ACCT / REC	PARCEL NUMBER
06/20/2011		12 05 15 0 000 003.003

PROPERTY DESCRIPTION	PROPERTY VALUE	ESTIMATED TAX
316 OUT A WAY ROAD 67 ACS M/L SEC 15 T 19N R 19E	$297,910	Fire Fee (s) Not Incl. $393.09

TO:

BROWN DAVID B & CAROLYN W 46-44580
316 OUT OF WAY RD
WETUMPKA AL 36092-

State of Alabama

Elmore County

EXHIBIT 3-3

AFFIDAVIT FOR HOMESTEAD EXEMPTION

TAX YEAR 20_____.

I DO SOLEMNLY SWEAR AND AFFIRM THAT I AM THE HEAD OF THE FAMILY/HOUSEHOLD AND THAT NO OTHER CLAIM FOR EXEMPTION FROM STATE AND/OR COUNTY TAXES FOR HOMESTEAD HAS BEEN MADE OR FILED BY OR ON BEHALF OF ME OR ANY MEMBER OF MY IMMEDIATE HOUSEHOLD, AND THAT THE ITEMS OF THIS ASSESSMENT IS THE HOMESTEAD CLAIMED BY ME, WHICH DOES NOT EXCEED $2000 IN ASSESSED VALUE FOR COUNTY TAXES OR $4000 ASSESSED VALUE FOR STATE TAXES NOR 160 ACRES IN AREA. **BY SIGNING THIS DOCUMENT I UNDERSTAND AND ACKNOWLEDGE THAT THIS ACTION HAS NO EFFECT UNTIL THE FOLLOWING OCTOBER IN ACCORDANCE WITH §40-7-2.1, CODE OF ALABAMA-1975.**

SWORN TO AND SUBSCRIBED BY ME, THIS _________ DAY

OF____________________________________, 20______.

____
SIGNATURE

____
NAME Printed

____
ADDRESS Printed

____
CITY Printed STATE Printed ZIP+4 Printed

(_______)______________________________ _______/________/________
PHONE Printed *Date Property Occupied As Homestead

OFFICE USE ONLY, PLEASE!

______________________________________ ____________________________
PREVIOUS OWNER PREV ACCT NO.

29-_______-________-________-______-________-________.________ ____________________________
PARCEL NO: ACCOUNT NO:

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that ____, whose s*ignature* appears above, and who is known to me and having been first duly sworn by me, acknowledged before me on this day that the information appearing above is accurate, true and correct.

SWORN TO and SUBSCRIBED before me this _________ day of ______________________, 200_____.

Notary Public: ____
Printed

My Commission Expires ________/_________/_________.

SEAL

8104S

IMPORTANT — PLEASE READ

1. Taxes are due October 1st and delinquent after December 31st. The tax year is from October 1st last year thru September 30th this year. Personal property is subject to levy and sale January 1st.
2. Payment of taxes may be made as follows:
   A. You may mail your payment. Please detach and return the portion indicated with your payment.
   B. Pay in person at courthouse, 5340B Atlanta Hwy or 3075 Mobile Hwy.
   C. Your payment may come from your mortgage company if you have an escrow account.
   D. You may pay by phone with credit card.
   E. Pay online at www.mc-ala.org.
3. If you pay by mail:
   A. Make check or money order payable to *Janet Buskey, Revenue Commissioner.*
   B. Taxes are due October 1st and delinquent January 1st.
   C. There will be a charge on all returned checks.
4. When paying by mail, if your address is incorrect, please take correction in place provided on the bill.
5. When you buy property:
   A. Go to the Probate Office and record your deed.
   B. Go to the Revenue Commissioner's Office and assess the property in your name and claim any exemptions due you.
6. A. If you purchased property during the year, you should make sure the taxes are paid. The tax bill will usually be in the previous owner's name. **You are responsible for taxes on all property you own,** regardless of how the tax bill is listed.
   B. Improvements made on or before October 1st must be reported by December 31st to avoid penalty.
7. If you no longer own this property, please provide the Revenue Commissioner's Office with the new owner's name and address or forward the bill to the new owner.
8. Penalty Fees added to delinquent payments made after December 31st.
9. Any questions, call (334) 832-1250.

TAX DUE OCTOBER 1ST
DELINQUENT AFTER DECEMBER 31ST AND INTEREST ADDED JANUARY 1ST

Class	Fair Market Value	Assessed Value	Tax Code	State, County, School Tax	Less Homstead: Value Exempt / Exempt Tax

Bill Number	State, County, School Tax	Municipal: Code / Assessed Value / Tax	Subtotal

Parcel Number	Weed Fee	Forestry Tax	Assessor's Fee	Total Tax & Fees

Property Description

Tax Bill for Year

Owners Name and Address

Tax Codes:
RR - Real Property (Land & Blds.)
PP - Personal Property (Movable Prpty, MSDE. Equip, Etc.)

Janet Buskey
Revenue Commissioner, Montgomery County
P.O. Box 1667 • Montgomery, Alabama 36102-1667 • (334) 832-1250

Municipal Codes
1 - 2 - 3

THIS SHEET MUST BE RETURNED BY DECEMBER 31ST WITH PAYMENT

Janet Buskey
Revenue Commissioner, Montgomery County
P.O. Box 1667 • Montgomery, Alabama 36102-1667

ZIP + 4
PRESORTED
FIRST CLASS MAIL
US POSTAGE PAID
MONTGOMERY, AL
PERMIT NO. 206

IMPORTANT PROPERTY INFORMATION ENCLOSED

Must be returned by
December 31st with Payment

CHAPTER IV

PROTESTS OF ASSESSMENTS

The County Board of Equalization

In each county of Alabama a Board of Equalization exists. The Board consists of three members who have been residents of the county for at least five years, own taxable property, are qualified electors, and are competent to serve on the Board of Equalization (*Code* § 40-3-1 and 40-3-2).

During the month of August of each fourth year the County Commission, the county Board of Education, the governing body of the largest municipality of the county each submit three nominees, while the other municipalities each submit one nominee to the State Commissioner of Revenue for appointment to the Board of Equalization. Within thirty days after receiving the lists of nominees, with the approval of the governor, the Commissioner appoints one person from each list for membership on the Board (*Code* § 40-3-2).

In counties where there is not an incorporated municipality, the County Commission shall nominate six qualified persons for appointment to the Board of Equalization. Two of the three members of the Board shall be selected from the county commission's nominees with the final member selected from the list submitted by the Board of Education (*Code* § 40-3-2).

A person selected for membership on the Board of Equalization has five days after being notified of his or her selection to accept or refuse the position (*Code* § 40-3-4). If the person accepts the appointment, he or she is required to take the following oath in addition to the oath required of regularly elected officials:

> I do solemnly swear that I will faithfully discharge the duties imposed upon me by law as a member of the county Board of equalization, and that I will adjust, equalize and fix the taxable value of all property listed for taxation and submitted for review to the Board of which I am a member on a basis of its fair and reasonable market value to the best of my knowledge and ability, so help me god (*Code* § 40-3-3).

Should someone appointed to the Board choose not to accept the position or should a vacancy on the Board occur from resignation or any other cause, the Commissioner of Revenue shall then select another person from the remaining nominees on the list from which the original selection was made. Before the new appointment is made, the proper nominating body may make additional nominations to bring the total nominees back up to a maximum of three. Should the remaining nominees be, for any reason, disqualified to serve on the Board, then the commissioner shall request the proper nominating body to name three additional persons eligible to serve on the Board. A selection is then made from the list. An appointment made to fill a vacancy on the Board is for the unexpired term only (*Code* § 40-3-4).

While serving on a County Board of Equalization no member can be employed by or hold any office of profit with the U.S. Government, the State of Alabama, any county or any other political subdivision of the State (*Code* § 40-3-5).

The term of service and compensation schedule for members of the Board is based on the total assessed value of all taxable property in the county. The year of 1955 serves as the basis for the amount of assessed value. There are six categories of assessed values to determine terms of service and compensation (*Code* § 40-3-7).

Category	Total Assessed Value	Annual Term of Service
1	$ 400 to 600 million	Full Time
2	$ 80 to 400 million	Not less than 6 months
3	$ 30 to 80 million	No more than 150 days
4	$ 25 to 30 million	No more than 80 days
5	less than 25 million	No more than 80 days

Compensation of Board members is prorated between the state, county, and any municipality in which the assessed value is greater than 50 percent of the total assessed value in the county. Each jurisdiction contributes 1/3 of the compensation of Board members. When there is not a municipality in the county that has an assessed value of more than 50 percent of the total assessed value, the compensation is paid ½ by the state and ½ by the county (*Code* §, 40-3-8).

At the first meeting of the Board in each year, the Board selects one of its members to act as chairman. It is also the duty of the Board at their initial meeting to make rules and establish guidelines to carry out the provisions of the law (*Code* § 40-3-15).

The Tax Assessing Official of each county shall serve as the secretary of the Board of Equalization in his or her county. The assessing official does not have a vote or voice in the government or business of the Board but serves in an advisory capacity at hearings. For his services the assessing official receives no compensation (*Code* § 40-3-6).

County Boards of Equalization are no longer charged with the responsibility of inspecting, reviewing and fixing value. The value fixed by the Tax Assessor is *prima facie* correct. The primary duty of the Boards now focuses on reviewing values. Only when a protest is filed do the Boards concern themselves with fixing value (*Code* § 40-7-71).

Once notification of the valuation of property in each county is accomplished, the taxpayer has 30 days to object in writing to the valuation of their property.

The majority of the Board's members constitutes a quorum and is sufficient to perform the Board's duties (*Code* § 40-3-16). Upon receiving a letter of objection from a taxpayer concerning the assessed value of a piece of property, the Board through its secretary informs the Department of Revenue of the protest. In order to hear a taxpayer's objections, the Board convenes when notified in writing by the Commissioner of Revenue and remains in session to hear all appropriate protests (*Code* § 40-3-7, 40-3-19, 40-7-60, 40-7-71). The Tax Assessing Official informs the taxpayer when to appear before the Board and instructs them what evidence they must provide at the hearing:

1. Information pertaining to the property and the date this property was purchased;

2. The amount of any mortgages which have been placed upon the property in recent years;

3. The amount of insurance now carried on the property;

4. The cost of any improvements added to the land since it was acquired; and

5. Evidence of current market value of this property and similar property in the same neighborhood. See Exhibit 4-1.

A list is made of all objections filed with the Board. This docket is made up as nearly as possible in the order in which protests were received by the Board and are heard in substantially the same order (*Code* § 40-3-16).

At the hearing the Board shall give each protesting taxpayer a reasonable amount of time to be heard, considering the total time available to hear protests, the number of protests pending, the amount and nature of the property involved, and all other relevant circumstances. If the taxpayer appears on the assigned day and is not heard for whatever reason, they shall be assigned another day until heard. Each taxpayer is to be heard in the same order in which their name appears on the docket and cannot be heard out of order if someone listed above them is present and prepared to be heard (*Code* § 40-3-1).

The property owner may appear in person, or by agent or attorney, in order to produce evidence to support their objections. Since the assessor's value is considered *prima facie* correct, it is up to the taxpayer to prove a mistake has been made in the valuation of their property. It is the responsibility of the Board to question any property owner and witness to determine if the value placed on the property was the fair and reasonable market value or the amount specified by law. Representing the county is the Tax Assessor and the county's chief appraiser to explain and defend through documentation the value that was reached.

If the Board finds the Assessor's value to be the fair and reasonable market value or the value specified by law, the value stands. On the other hand, if the Board finds error in the valuation of the property, the valuation or assessment shall be corrected so that it is the value specified by law (*Code* § 40-3-19).

Regardless of the actions of the Board of Equalization and the Department of Revenue the protesting taxpayer may appeal the value of their property to the Circuit Court. All appeals from the rulings of the Board or the Department or Revenue are taken within 30 days after the final decision. The taxpayer is to file notice of appeal with the Tax Assessor and the clerk of the

Circuit Court. The original assessment sheet or a certified copy, showing the assessment, is sufficient appearance by the state and is considered a *prima facie* case. This ends the responsibility of the Board of Equalization in the tax process (*Code* § 40-3-24, 40-3-25)

EXHIBIT 4-1

THE STATE OF ALABAMA BOARD OF EQUALIZATION

_____________________ COUNTY

DATE: ___________________

TO: ______________________

Dear Sir: (Or Madam)

The Secretary, Board of Equalization acknowledges receipt of your written protest to the proposed change in the value of your property as described in the notice sent to you recently.

This matter is being set for oral hearing before the Board of Equalization at its office in the County courthouse on the __________ day of __________ at __________A.M. P.M.

The following evidence will be needed at this hearing and you should come prepared to supply this evidence:

(A) Information pertaining to the property and the date this property was purchased by you.

(B) The amount of any mortgages which have been placed upon the property.

(C) The cost of any improvements added to the land since it was acquired by you.

(D) Evidence of current market value of your property and comparable property in the same neighborhood.

Yours very truly,

____

Secretary, Board of Equalization

EXHIBIT 4-2

THE STATE OF ALABAMA

______________________ COUNTY

BOARD OF EQUALIZATION DOCKET

DATE_______________________
DAY OF WEEK ______________

TIME	PROPERTY OWNER/PARCEL NO.	REMARKS

EXHIBIT 4-3

State of Alabama
Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

JULIE P. MAGEE
Commissioner

CYNTHIA UNDERWOOD
Assistant Commissioner

MICHAEL E. MASON
Deputy Commissioner

May 11, 2011

Montgomery County Board of Equalization
Montgomery County Courthouse
100 South Lawrence Street
Montgomery, AL 36102

Dear Board Members:

The Board of Equalization for Montgomery County is authorized to begin session on November 15, 2011.

The working time allotted for this session is three days.

Yours truly,

Bill Bass, Director
Property Tax Division

cc: Honorable Janet Buskey, Revenue Commissioner
Steve Linton, District Supervisor

ADV: BE14
5/07

EXHIBIT 4-4

Board of Equalization Market Value Hearing

Docket No.: ____________

Hearing Date: ____________

____________ County

PROPERTY OWNER'S NAME

PARCEL NUMBER

__ __ /__ __ /__ __ /__ __ /__ /__ __ __ /__ __ __ . __ __ __

ADDRESS

PROPERTY LOCATION (IF DIFFERENT FROM OWNER'S)

CITY STATE ZIP

Current Value

Personal Property . . . . $ ____________

Land . . . . $ ____________

Improvements. . . . . $ ____________

Total Land & Improvements . . $ ____________

Purchase Price . . . . $ ____________

Year Acquired . . . . ____________

Summary of Complaint

____

____

____

Cost of Improvements Since Acquisition. . . . . $ ____________

Insurance . . . . $ ____________

RECOMMENDED APPRAISAL ACTION:

☐ None

☐ Field Review (no verification by owner needed)

☐ Clerical Change

☐ Field Review (with interior inspection)

☐ Other ____________

____________ By: ____________

MARKET VALUE FIXED BY THE BOARD OF EQUALIZATION

The Board having heard the protest of the property owner and having reviewed the evidence submitted does hereby fix the market value of the property as follows:

Personal Property . . . . $ ____________

Land . . . . $ ____________

Improvements. . . . . $ ____________

Total Land & Improvements . . $ ____________

Done this the ______ day of ____________, 20_____

Signed ____________
CHAIRMAN

____
MEMBER

____
MEMBER

■ Maintenance completed by ____________ Date ____________

The Board Docket Number and decision date are to be recorded on the Property Record Card.
Submit a copy to each of the following offices: County Board of Equalization, Assessor; Department of Revenue, Property Tax Division

EXHIBIT 4-5

ADV: BE-47
8/08

BOARD OF EQUALIZATION

Property Earning Capacity Statement

FOR REAL PROPERTY

TO BE FILED WITH YOUR COUNTY BOARD OF EQUALIZATION

PROPERTY OWNER'S NAME ______________________________

PARCEL NUMBER __ __ /__ __ /__ __ /__ __ /__ /__ __ __ /__ __ __ . __ __ __

PROPERTY NAME / ADDRESS ______________________________

THREE YEAR EXPENSES			
Annual Operating Expenses	**20_____**	**20_____**	**20_____**
1 Management	$	$	$
2 Salaries			
3 Utilities			
4 Supplies and Materials			
5 Building Maintenance			
6 Insurance			
7 Other (Itemize) ______________			
______________			
______________			
______________			
______________			
8 Reserve For Replacements (If any, itemize) ______________			
______________			
______________			
______________			
______________			
9 Total Annual Expenses (Total of lines 1 through 8)			

THREE YEAR GROSS INCOME			
	20_____	**20_____**	**20_____**
10 Annual Potential Gross Rent			
11 Other Income			
12 Annual Potential Gross Income From All Sources (Line 10 plus Line 11)	$	$	$
13 Vacancy And Credit Loss			
14 Annual Effective Gross Income (Line 12 minus line 13)			

State of Alabama, County of ______________________________.
Under penalties of perjury, I declare that I have examined this statement and that to the best of my knowledge and belief, it is correct and complete.

______________________________ SIGNATURE OF PERSON PROTESTING VALUATION

______________ DATE

County Board of Equalization should keep original and provide a copy to the taxpayer and the Alabama Department of Revenue.

Instructions

Who May File.

Any person protesting valuation of property based on earning capacity.

When and Where To File.

This form is to be completed when protesting the value of real estate based on earning capacity of the property. It is to be filed with the County Board of Equalization in the office of the County Tax Assessor or Revenue Commissioner.

Specific Instructions

The person protesting must demonstrate why the market value is lower than the current appraised value.

The expenses and income should be shown for three successive years prior to protest year, if possible.

Signature.

This form must be signed and dated.

Definitions

Annual Operating Expenses: The expenses necessary to operate and maintain a property so that it will continue to generate the current net income.

Line 1 – Management
These expenses can include management fees, legal, advertising expenses, and accounting expenses related to the operation of the property (not the owner).

Line 2 – Salaries
Salaries and benefits of employees who are employed in maintaining the property and keeping it rented. Examples are resident manager, maintenance employees and security guards.

Line 3 – Utilities
Gas, water, sewer, electricity, garbage collection.

Line 4 – Supplies and Material
Expendable items (light bulbs, fertilizer, etc.)

Line 5 – Building Maintenance
Miscellaneous repairs, cleaning, exterminating, lawn care.

Line 6 – Insurance
Expenses for fire, casualty and liability insurance (not mortgage insurance). Premiums paid should be prorated to 12 months coverage.

Line 7 – Other
Any other expenses necessary to operate a property.

Line 8 – Reserve For Replacement
Replacement expenses for items which will last for more than one year should be prorated to an annual amount (roofing, exterior painting).

Line 10 – Annual Potential Gross Rent
The maximum rent that would be collected if the property was 100% occupied for 12 months.

Line 11 – Other Income
Incidental income received from the operation of the property (laundry, parking, deposits and fees retained).

EXHIBIT 4-6

MINUTES OF THE BOARD OF EQUALIZATION OF _____________________ COUNTY, ALABAMA, FOR THE TAX YEAR OCTOBER 1, 20_____ TO SEPTEMBER 30, 20_____.

The Board of Equalization having been called into official session by the Department of Revenue, having heard the protests of property owners, and having fixed the market values of the properties involved, and having transmitted the same to the county assessing officials, does hereby adjourn the 20____ session on this the ______ day of ______________, 20_____.

____________________________ Chairman

____________________________ Member

____________________________ Member

B. E. 7

EXHIBIT 4-7

WORK REPORT

Report of ____________________County Board of Equalization for ____________________

DUTIES PERFORMED, SUCH AS ASSESSMENTS REVIEWED, PROPERTY INSPECTED, ETC.

DATE	TYPE OF WORK	NUMBER	AMOUNT OF INCREASE	AMOUNT OF DECREASE
			$	$
TOTAL				

This is to certify that the above is a true and accurate statement of the work performed by the Board of Equalization of ______________________________ County for the period indicated.

____
Chairman

____
Member

____
Member

SUBMIT ORIGINAL ONLY TO STATE DEPARTMENT OF REVENUE, PROPERTY TAX DIVISION, MONTGOMERY, ALABAMA.

Form ADV: BE-8
4/07

EXHIBIT 4-8

THE STATE OF ALABAMA

IN ACCOUNT WITH

______________________________ MEMBER OF EQUALIZATION BOARD

____
ADDRESS

______________________________ COUNTY, ALABAMA

Compensation as provided in Title 40, §40-3-7 of the **Code of Alabama 1975**.

REPORT FOR THE MONTH OF ______________________ 20_____

DAYS ON WHICH BOARD WAS IN SESSION _____, _____, _____, _____, _____, _____, _____, _____, _____, _____,

_____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____,

TOTAL NO. OF DAYS ____________

RATE PER DAY $_______________ (If on per diem) RATE PER MONTH $_______________ (If paid by month)

AMOUNT DUE FROM COUNTY OF ______________________ . . . . $_______________

AMOUNT DUE FROM CITY OF ______________________ . . . . $_______________

AMOUNT DUE FROM THE STATE OF ALABAMA . . . . $_______________

TOTAL COMPENSATION DUE (State, County and City) . . . . $_______________

I certify that I served as a member of the Board of Equalization during the period and on the days indicated above and performed faithfully and to the best of my ability my duties as a member of said board

I further certify that the above account against the State of Alabama is true, correct and unpaid.

____
MEMBER BOARD OF EQUALIZATION

SWORN TO AND SUBSCRIBED BEFORE ME

THIS ________ DAY OF ____________________ 20_____.

____
NOTARY PUBLIC

APPROVED FOR PAYMENT, ______________________________, STATE COMMISSIONER OF REVENUE

Forward all claims to the **Alabama Department of Revenue, Property Tax Division, P.O. Box 327210, Montgomery, AL 36132-7210** at the end of each month.

Each member is required to file an original claim form for the State, County and City.

EXHIBIT 4-9

ADV: BE-11
4/07

ALABAMA DEPARTMENT OF REVENUE
PROPERTY TAX DIVISION
Expense Account
Board of Equalization

for ______________________________ COUNTY

This is to certify that the above County's Equalization Board has incurred travel expense(s) in performance of its official duties for the month of ____________________________, 20______.

DAY OF MONTH	POINTS OF TRAVEL		MILES DRIVEN	VIEWED AND VALUED TAXABLE PROPERTY	
	FROM	TO		NUMBER OWNERS	BEATS 1, 2, 3
		TOTAL MILES FOR MONTH			

Total amount due by state, county, and city at State Mileage Rate ___________ per mile. . . . . $________________

Amount to be paid by state of Alabama . . . . $________________

Amount to be paid by county of ____________________________ . . . . $________________

Amount to be paid by city of ____________________________. . . . . $________________

We certify that the above claim is correct, due and unpaid, and request that warrant be issued to ________________________________ County Board of Equalization.

____
CHAIRMAN

____
MEMBER

____
MEMBER

Sworn to and subscribed before me this ________ day of ______________________________, 20_____.

______________________________ ______________
NOTARY PUBLIC DATE

APPROVED FOR PAYMENT, ALABAMA DEPARTMENT OF REVENUE

BY: ______________________________________
COMMISSIONER

Submit original and two copies (three if city pays one-third) to **Alabama Department of Revenue, Property Tax Division, P.O. Box 327210, Montgomery, AL 36132-7210**