

Property Taxes in Alabama

Tyler Montana Prescott, J.D.

Clarke County Revenue Commissioner



Clarke County, Alabama



- Located in Southwest Alabama
- Relatively rural county with a population of approximately 23,000
- Third largest county in state by land area.
- The timber industry and mills associated with it dominate our economy.

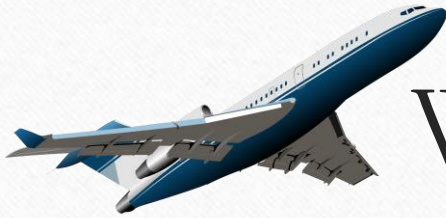


Official Charged with Administering Tax Laws

- The offices of Tax Assessor and Tax Collector are elected by the voters of each county in Alabama for a six-year term.
- However, only 9 of the 67 counties in Alabama still retain separate offices for the Tax Assessor and Tax Collector.
- Fifty-eight counties have combined these offices into a position now known as the Revenue Commissioner. The Revenue Commissioner is responsible for all duties formerly held by the separate Assessor and Collector offices.
- By local act in 1988, which was approved by the voters of Clarke County, the offices of Tax Assessor and Tax Collector were combined to form the Office of the Revenue Commissioner.

Property Taxes in Alabama

- The tax collecting official in each county in Alabama collects all *ad valorem* property taxes. This includes taxes due to the State of Alabama, county government, school boards, and municipalities. In addition, some collecting officials collect taxes or fees for fire districts, hospitals, or solid waste.
- Because we are an *ad valorem* state that collects based off millage rates, tax collections are based off of the total value of property in the county and the millage rate set by law. If these funds are insufficient to fund government, the government must either adjust spending or vote to increase the millage rate.
- Millage rate in Clarke County: 38 mills in municipalities; 33 mills unincorporated areas.
- Total exemptions on primary residences are available for taxpayers who are either 100% disabled or over 65 with taxable income less than \$12,000.
- A standard homestead exemption is available for taxpayers who own and occupy a home as their primary residence, regardless of age or income.
- The Revenue Commissioner's Office also handles "current use" exemptions (i.e., agricultural and timber), as well as ensuring that economic abatements are applied as approved by the governing bodies.



What type of property is taxed?



- In Alabama, we collect *ad valorem* property taxes on real and personal property. This includes real estate, equipment used in businesses, and motor vehicles. Certain manufactured homes are assessed for *ad valorem* purposes, and others are taxed at a flat-fee for annual registration.



Class	Description	Assessment Percent
I	All property of utilities used in the business of such utilities	30%
II	All property not otherwise classified	20%
III	All agricultural, forest, and single-family owner occupied residential property, including owner occupied residential manufactured homes located on land owned by the manufactured home owner, and historic building and sites	10%
IV	All private passenger automobiles and motor trucks of the type commonly known as "pickups" or "pickup trucks" owned and operated by an individual for personal or private use and not for hire, rent, or compensation	15%



Office of the Clarke County Revenue Commissioner

Breakdown of Tax Year 2023 Collections

State of Alabama	\$2,545,160.45
Clarke County Commission	\$4,230,227.51
Municipalities	\$799,098.70
Thomasville City & Clarke County Schools	\$6,867,060.48
Timber Tax (Ala. Forestry Commission)	\$71,474.42
Interest on Late Payments	\$22,209.80
Firefighter Donation Fund	\$278.06
Rescue Squad Donation Fund	\$283.53
Late Fees & Penalties	\$16,180.18

includes reimbursements for costs of newspaper advertising & mailing fees

Ad Valorem Property Tax Collections:

Tax Year 2020:	\$11,921,506.44
Tax Year 2021:	\$12,155,208.74
Tax Year 2022:	\$13,255,146.07
Tax Year 2023:	\$14,551,973.13



The Abstract

- No later than the second Monday in August of each year, the tax assessing official is required to deliver an abstract to the tax collecting official that contains a list of all taxable property in the county and the taxes due thereon for the upcoming tax year.
- This abstract becomes the basis for all collections, end-of-year balancing, and audits.
- Any changes to the abstract are done in the form of an “error and supplement” and must be documented. These must be approved by the County Commission at the end of the tax year before balancing with the State of Alabama in a process known as “Final Settlement.”
- The tax collecting official is responsible for ensuring that all monies listed on the abstract are collected or either there is a proper credit through an error and supplement or the sale of the property for taxes. Otherwise, the tax collecting official is personally liable for paying the difference at final settlement.

Property Abstract Summary

Clarke County

Tax Year: 2023
Abstract Type: Original

Real and Personal Property

State Taxes

	STATE GENERAL Mills: 2.5000		STATE SOLDIER Mills: 1.0000		STATE SCHOOL Mills: 3.0000	
	Assessed Value	Taxes	Assessed Value	Taxes	Assessed Value	Taxes
ASSESSMENTS						
Class 1 Public Utilities						
Public Utilities	29,254,720	73,136.80	29,254,720	29,254.72	29,254,720	87,764.16
Class 2 Property						
Airline & Railroad	4,003,600	10,009.00	4,003,600	4,003.60	4,003,600	12,010.80
Real Property	155,886,140	389,715.35	155,886,140	155,886.14	155,886,140	467,658.42
Personal Property	159,025,680	397,564.20	159,025,680	159,025.68	159,025,680	477,077.04
Total Class 2	318,915,420	797,288.55	318,915,420	318,915.42	318,915,420	956,746.26
Class 3 Property						
Current Use Property	35,346,700	88,366.75	35,346,700	35,346.70	35,346,700	106,040.10
Real Property	91,759,060	229,397.65	91,759,060	91,759.06	91,759,060	275,277.18
Total Class 3	127,105,760	317,764.40	127,105,760	127,105.76	127,105,760	381,317.28
Total Assessments	475,275,900	1,188,189.75	475,275,900	475,275.90	475,275,900	1,425,827.70
Penalties	269,220	673.05	269,220	269.22	269,220	807.66
Total Asmt and Penalty	475,545,120	1,188,862.80	475,545,120	475,545.12	475,545,120	1,426,635.36
EXEMPTIONS						
Homestead Exemptions						
Homestead No. 1	11,260,660	28,151.65	11,260,660	11,260.66	11,260,660	33,781.98
Homestead No. 2	1,527,420	3,818.55	1,527,420	1,527.42	1,527,420	4,582.26
Homestead No. 3	14,101,920	35,254.80	14,101,920	14,101.92	14,101,920	42,305.76
Homestead No. 4	9,318,460	23,296.15	9,318,460	9,318.46	9,318,460	27,955.38
Total Homestead Exemption	36,208,460	90,521.15	36,208,460	36,208.46	36,208,460	108,625.38
Other Exemptions						
Abatements	55,527,520	138,818.80	55,527,520	55,527.52	0	0.00
Industrial	0	0.00	0	0.00	0	0.00
Other	17,709,760	44,274.40	17,709,760	17,709.76	17,709,760	53,129.28
Total Other Exemptions	73,237,280	183,093.20	73,237,280	73,237.28	17,709,760	53,129.28
Total Exemptions	109,445,740	273,614.35	109,445,740	109,445.74	53,918,220	161,754.66
Net Assessment + Taxes	366,099,380	915,248.45	366,099,380	366,099.38	421,626,900	1,264,880.70
Less Costs of Asmt/Coll.		19,734.96		14,643.98		50,595.22
Net Ad Valorem Taxes Due	366,099,380	895,513.49	366,099,380	351,455.40	421,626,900	1,214,285.48

Timeline for Tax Collections

- Taxes due and payable: October 1st of each year
- Last day to pay without penalty: December 31st
- Late notices are mailed as soon as possible after January 1st
- Tax Sale held between March 15 and June 15 of each year for any taxes that remain unpaid.
- Final Settlement must be completed by June 30th.

To Whom Property Is Assessed

- Alabama assesses property taxes one year in arrears.
- Property is always assessed to the owner as of the prior October 1st.
- You have to be the owner as of October 1 of the prior year to receive the assessment and bill for the following year.
- Therefore, if you buy a home October 15th, 2024, it will not be assessed to you until October 1, 2026.
- This can create collection issues, as old owners usually will not pay the bill and oftentimes have moved.
- Therefore, many collecting officials send copies of the tax bills to the “new owners.”

Notification of Taxes Due

- In Alabama, tax bills are only a courtesy. Tax collectors are not required to mail the original tax notice. Therefore, the failure to receive a tax bill does not excuse non-payment.
- Tax collecting officials are required to mail the delinquent notice after January 1st to the taxpayer at their last known address.
- Notices are required leading up to the annual Tax Sale and vary based upon the tax collecting official's decision to use a Tax Lien Sale or traditional Tax Sale.



Make Checks Payable To
TYLER MONTANA PRESCOTT
 Revenue Commissioner
 P.O. Box 9
 Grove Hill, AL 36451

RETURN SERVICE REQUESTED

Phone: (251) 275-3376 • clarkecountyal.com/revenue
 Office Hours: Monday-Friday 8am-5pm

2023 CLARKE COUNTY COURTESY PROPERTY TAX NOTICE



Pay Online

EXCITING NEWS!
 Revenue Commissioner
 Tyler Montana Prescott
 is excited to announce that you can
 now **PAY ONLINE**. You can also
 view your payment history and
 property assessment information
 on our new website.
 Go to:
 www.clarkecountyal.com/revenue

057896



DOSS ROOSEVELT (1/4) AND JOHNSON LARRY (1/16) AND
 146 HI LO ST
 JACKSON AL 36545-2116

PAY PROPERTY TAXES ONLINE AT: www.clarkecountyal.com/revenue. There is a
 2.75% plus \$.30 convenience fee for all card transactions and a \$2.00 flat fee for
 electronic checks, which goes directly to the online payment provider.

TAXES ARE DUE OCTOBER 1 THRU DECEMBER 31, AND ARE DELINQUENT JANUARY 1.

PPIN: 20320
 PARCEL #: 35-08-34-0-000-003.000 ACRES: 4.00
 TOTAL TAX: \$70.62
 PROPERTY LEGAL: LOT IN S1/2 OF NW1/4 OF NW1/4 W OF BRIDAL PATH RD; LESS: BG 87.78'E & 285'N OF SW COR OF NW1/4
 OF NW1/4 S34 T7N R2E; N 210'; E 210'; S 210'; W 210' TO POB.



UNDERSTANDING YOUR TAX BILL

This is a courtesy notice of ad valorem property taxes. This tax notice is for real or personal property located in Clarke County, Alabama. Real property is land and any permanent structure on your property. Business personal property includes supplies, machinery, and equipment used in operating a business.

STATE MANDATED PENALTIES AND INTEREST

Taxes are due October 1 and become delinquent after December 31. It is your responsibility to ensure payment of taxes. If you no longer own this property, or if you have questions, please notify the Revenue Commissioner's Office at (251) 275-3376. If your mortgage company is expected to make payment, we suggest YOU confirm receipt of taxes before January 1.

To avoid penalty and interest, payment in full must be made online or postmarked by December 31st.

EXEMPTIONS

Property Owners in the State of Alabama are entitled to certain exemptions that may reduce the amount of taxes owed. There is available a "regular" homestead exemption for taxpayers who own and occupy their home as their primary residence. **If you are 65 years of age or older, disabled, blind, and live in the county additional exemptions are available.** All exemptions may be applied for throughout the year, but **please note that all exemptions applied for this year, after approval, will be effective for the next tax year and will not affect this tax bill.** It is the responsibility of the property owner to notify the Revenue Commissioner's Office of any changes.

*** PAY ONLINE ***

The Revenue Commissioner is excited to announce that you may now pay your taxes online.
 Go to www.clarkecountyal.com/revenue
 You may pay with a debit card, credit card, or e-check online.

The Revenue Commissioner's Office will be closed on the following holidays:

- October 10, 2022
- November 11, 2022
- November 24-25, 2022
- December 26, 2022
- January 2, 2023

Please note that your tax bill has been mailed to the address in our records. Failure to receive a tax bill does not relieve obligation to pay the tax bill by the due date. It is the responsibility of the taxpayer to have current and updated address on file with the Revenue Commissioner's Office.

PLEASE BRING ENTIRE BILL IF PAYING IN PERSON. PLEASE DETACH AND RETURN BOTTOM PORTION IF PAYING BY MAIL. PLEASE DO NOT STAPLE



Make Checks Payable To
TYLER MONTANA PRESCOTT
 Revenue Commissioner
 P.O. Box 9
 Grove Hill, AL 36451

- In compliance with Act 2010-726, you may make a \$2.00 Donation to the Alabama Firefighters, Annuity and Benefit Fund. You must check the box and add \$2.00 to your payment.
- In compliance with Act 2015-208, you may make a \$3.00 Donation to the Alabama Association of Rescue Squads Inc. You must check the box and add \$3.00 to your payment.

TAX BILL FOR YEAR	2023
ACCOUNT NUMBER	11856
TOTAL TAX THIS PAGE	\$70.62



Please indicate phone number and email address.

Phone # _____
 Email _____

Return in the provided envelope to:

TYLER MONTANA PRESCOTT
 Revenue Commissioner
 P.O. Box 9
 Grove Hill, AL 36451

Send a self-addressed, stamped envelope to receive a Manufactured Home decal or receipt.

PLEASE INDICATE ANY MAILING CHANGES BELOW

Name: _____
 Phone: _____ Email: _____
 Address (including City, State, Zip): _____

Notifying Owners

- In addition to mailing tax bills, many tax collecting officials are beginning to explore the use of e-mail to notify taxpayers of unpaid property taxes.
- For example, Mobile County, Alabama, now sends system-generated emails to delinquent taxpayers in the weeks leading up to the Tax Sale.
- Our county has recently began collecting emails and phone numbers for taxpayers. This data is used to contact the taxpayers when the property taxes become delinquent.
- Several tax officials, including myself, personally visit properties where the taxes are delinquent in order to attempt to collect payment.

Methods of Payment

- Each tax collecting official has the authority to decide what forms of payment are accepted and when such forms of payment are accepted.
- Checks and money orders are made out personally in the name of the tax collecting official.
- The vast majority of counties now allow online payments.
 - Clarke County did not begin online payments until 2022.
- State statutes prohibit the tax collecting official from paying credit card fees from the monies collected. Therefore, a credit card processing fee is added to all transactions where a credit or debit card is used.
- Clarke County accepts cash, checks, money orders, credit/debit cards, and e-checks.
- Payments can be made online, in the office, by mail, or over the phone.
- Many collecting officials cut-off certain forms of payment in preparation for the Tax Sale.
 - Personal and e-checks get shut off in my county on February 28th of each year.
 - Credit and debit cards are turned off 21 days prior to the auction.

Revenue Commissioner

You can now pay your Clarke County property taxes ONLINE

[PAY ONLINE](#)

The offices of Tax Assessor and Tax Collector were combined by a local act in 1988 to form the Office of the Revenue Commissioner. The Revenue Commissioner now serves as both the Tax Assessor and Tax Collector of Clarke County. The Revenue Commissioner is elected by the voters of Clarke County and serves a six-year term.

Tyler Montana Prescott was elected to the position of Revenue Commissioner in 2020. Commissioner Prescott holds an accounting degree from the University of West Alabama and a master's degree from Troy University. He is currently pursuing his juris doctorate. Prescott has extensive knowledge in property tax law and real estate, and he brings a common-sense approach to problem-solving that he obtained while being a small-business owner. He is a lifelong resident of Clarke County and is involved in numerous civic organizations.

The Revenue Commissioner is required to annually locate, assess, and uniformly appraise all real and personal property within Clarke County. The Revenue Commissioner also maintains current ownership maps of the county based on the most recent recorded documents of conveyance.

The Revenue Commissioner lists and places a value on all real estate and personal property (which includes such items as machinery,

Downloads and Links

- [TAX LIEN LEGAL NOTICE](#)
- [ADDRESS CHANGE FORM](#)
- [HOMESTEAD CHECKLIST](#)
- [2024 VALUE APPEALS FORM](#)

www.AlabamaGIS.com/Clarke/



Tyler Montana Prescott, J.D.
Revenue Commissioner

Partial Payments & Hardship Cases

- Alabama law provides that the tax collecting official has the authority to decide whether or not his or her office accepts partial payments.
- A partial payment does not prevent the property from being sold at the Tax Sale.
- The inability to pay taxes does not prevent the property from being sold for taxes. We are statutorily required to sell all property with unpaid taxes in the spring immediately following the delinquency.

What do we do with the money?

- Tax collecting officials are statutorily required to “invest” the money they collect prior to distributing it. Practically speaking, the officials put the money in an interest-bearing account.
- *Ad valorem* property taxes are distributed every 15 days to all entities who receive proceeds from the tax collecting official. This disbursement must be done within 5 days of the collection period ending.
 - *Example: March 1-15 collections must be distributed by March 20th.*
- The salary of the Revenue Commissioner, any supernumerary officials, and the budget for reappraisal is all withheld from the *ad valorem* distributions and earmarked for those budgetary items.
- Manufactured home and automobile collections must be distributed by the 20th of the month following the collections.

Delinquencies

- Delinquent tax accounts are charged 12% interest beginning January 1st until the time the taxes are paid or the land is sold for taxes.
- Each property is also charged a \$5 delinquent citation fee beginning January 1st.
- Taxpayers are responsible for additional costs associated with the delinquency, including any certified mail fees, newspaper advertising fees, and tax auction fees.
- Several counties have adopted local legislation to implement a late fee of \$1 or \$2 per day. These are only in a small minority of counties, and they are controversial as to the constitutionality of them.



Tax Sale Time



- Beginning with the tax collection year for 2019, tax collecting officials in Alabama had the opportunity to convert from the traditional Tax Sale to the Tax Lien Sale.
- The decision of which method to use in collecting delinquent taxes is left solely to the discretion of the county's tax collecting official.
- Approximately 80% of the tax collecting officials in Alabama have chosen to utilize the new Tax Lien Sale method.

Traditional Tax Sale v. Tax Lien Sale

Traditional Tax Collector's Sale	Tax Lien Sale (new)
Sale required to be in-person at the Courthouse	Sale can be in-person or online
Notice of sale required to be published in the newspaper	Notice of sale can be given online or published in the newspaper
Probate Court required to issue decree to sale the property	No Probate Court involvement required
Certified Letters and show-cause notices required	Mailing of a first-class letter notifying of the auction is required.
Excess Bids – highest bidder wins	No Excess Bids – lowest interest rate wins.
8% interest on the taxes and that portion of the excess bid that does not exceed 15% of property value. (formerly was 12%)	0-12% interest on the taxes and penalties due (lowest bid wins)
Tax Deed Issued after 3 years	Lienholder must foreclose after 4 years (changed this legislative session – was 3 years)
Right to immediate possession after the Tax Sale – can make preservation improvements and be reimbursed. Liable for code violations.	No right to possession until foreclosure process completed. Not liable for code violations.

Tyler v. Hennepin County – What We Did

- Legislation enacted after the 2009-2010 foreclosure crisis prevented homeowners from claiming their excess bid, unless they redeemed their taxes.
 - Now, owners can claim the excess bid if they submit an affidavit waiving their right of redemption.
- For Tax Lien Sales, since there is no excess bid (i.e., no equity to claim), homeowners can now petition the court during the foreclosure sale for a clerk's sale. In that case, the property will be sold to the highest bidder. The investor is paid the taxes, interest, and penalties they have expended, plus any interest due to them. The remaining amount is paid to the homeowner.
- Additional notice requirements were added to the Tax Lien Sale foreclosure process, and the redemption period was extended from three to four years.

Final Settlement

- Each year, prior to July 1, the tax collecting official is required to submit “Final Settlement” to the State Comptroller’s Office.
- Failure to submit the report on time will result in a daily penalty that is the personal liability of the tax collecting official.
- The purpose of Final Settlement is to ensure that all monies listed on the abstract were collected or properly credited for the preceding tax year.
- Any shortage must be paid personally by the tax collecting official.
- Final settlement is utilized by the Examiners of Public Accounts when conducting their audits of our offices.

Reports/Items Needed for Final Settlement

Regular Property

- Abstract of Assessment, Exemptions, and Ad Valorem Taxes
 - Original, Supplement, and Escapes
 - State Summary Only
- Statement of Collections of Interest
 - Summary
- Errors in Assessment
 - Abstract and Individual Listing with Summary
- Insolvents
 - Abstract and Individual Listing with Summary
- Litigations
 - Abstract and Individual Listing with Summary
- Lands Bid In/Property Held In County Inventory
 - Abstract and Individual Listing with Summary
 - Certificates of Land Sold and Bought by the State (LD 13) – Send to State Department of Revenue Property Tax Division
- Refunds
 - Individual Listing with Summary
 - Computation of Refunds Involving Homesteads (if applicable)
- Insolvents, Errors, and Taxes in Litigation for 20XX and Uncollected Insolvents and Taxes in Litigation for Previous Year (DFC 22)
 - Dated and Signed by Presiding Officer of the County Commission
- Summary of Regular Property Remittances
- Final Settlement Worksheet (DFC 12)
- Blank Check

Excerpt from Final Settlement Worksheet

Supplement (RP 24)					Other Exemptions - Net **	44,576.35	17,830.54	53,491.62	19
Gross Assessments - Regular	477,339,320	1,193,348.30	477,339.32	1,432,017.96	Homestead Exemptions - Net **	90,748.45	36,299.38	108,898.14	20
Regular Interest Collected (DFC 34)		1,476.81	590.03	1,771.19					21
Subtotal Charges - Regular		1,194,825.11	477,929.35	1,433,789.15	Subtotal Credits - Regular	278,510.65	111,404.26	167,630.22	22
Motor Vehicle Interest - Prior Year (DFC 34A)					Mileage	0.00	0.00	0.00	23
Motor Vehicle Interest - Current Year (DFC 34A)					Commissions on Assessments - Regular***	9,878.14	7,330.50	25,323.18	24
Motor Vehicle Assessments - Prior Year (RP 21)					Commissions on Collections - Regular***	9,878.14	7,330.50	25,323.18	25
Motor Vehicle Assessments - Current Year (RP 21)					Commissions on Assessments - Motor Vehicle****				26
Less Motor Vehicle Errors * (DFC 20)					Commissions on Collections - Motor Vehicle****				27
Less Motor Vehicle Refunds * (DFC 20)					Remittances	847,308.78	332,433.09	1,150,872.06	28
Less Credit Vouchers Redeemed (DFC 20)					Reappraisal	35,380.10	13,883.21	47,415.87	29
Less Credit Vouchers Refunded/Receipts for Credit (DFC 20)					Superaumerary	2,150.15	860.07	2,670.31	30
Subtotal - Net Motor Vehicle Taxes Collected (Line 23 through 27)					Salary	11,719.13	4,687.72	14,554.35	31
Subtotal - Regular and Motor Vehicle Taxes (Line 28 through 31)		1,194,825.11	477,929.35	1,433,789.15	Net Refunds (After Commissions) - Regular (DFC 20)				32
Retirement Contribution									33
Credit Voucher Redemption Comm (DFC 20)			-	-					34
									35
									36
Total Charges (Add lines 32 through 34)		1,194,825.11	477,929.35	1,433,789.15	Total Credits (Add lines 22 through 36)	1,194,825.09	477,929.35	1,433,789.17	37
Amounts Overpaid			0.00	0.02	Amounts Due	0.02	0.00		38
GRAND TOTAL		1,194,825.11	477,929.35	1,433,789.17	GRAND TOTAL	1,194,825.11	477,929.35	1,433,789.17	39

Do not take credit for those errors/refunds that have not been deducted from abstract.

Amount per abstract less applicable exemptions on lines 3, 5, 6, Total overpayment (due)

Line 22 on left -- line 22 on right = Net regular taxes collected > all funds

Line 31 on left X commission rate

Thank you!

If I can ever be of assistance, do not hesitate to let me know.



Tyler Montana Prescott, J.D.
Revenue Commissioner
Post Office Box 1
Thomasville, AL 36784
(334) 456-9822
montana.prescott@yahoo.com