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April 21, 2021

MEMORANDUM

TO: Tax Assessing Officials and County Administrators
FROM: Robert W. Martin, Director
Property Tax Division
SUBJECT: Act 2021-173: Changes to Board of Equalization Appointments and Compensation

RECEIVED
APR 15 2021

BY: BP

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Overview of Changes (Effective Immediately)

The Governor signed Act 2021-173 (introduced as SB-54) into law on April 8, 2021. This legislation makes several major changes related to county Boards of Equalization (BOE) which take effect immediately:

- Requires that members own taxable *real* property *located in the county they serve*
- Adjusts the nomination and appointment procedures for new members and vacancies
- Increases the compensation provided in Section 40-3-7 to \$100 per day for members currently receiving \$35 per day
- Increases the maximum mileage reimbursement from \$600 to \$1000 for members whose compensation is paid on a per-day rate
- **Requires counties to pay members' compensation from their Appraisal and Mapping Budgets (unless the county's population is over 600,000)**

This overview is not a complete explanation of the changes which have been made, and it is important that you review the act in its entirety. A copy has been attached for your convenience. We also recommend that you forward this information to your County Board of Education and the municipalities which participate in your BOE nomination process.

Review Appraisal and Mapping Budgets and Local Legislation

Because BOE members' salaries must be paid from the Appraisal and Mapping Budget starting immediately, please review your budget and make any necessary amendments between line items. Funds will need to be allocated for the estimated cost of your BOE members' total compensation for this year.

Any amendments needed should be requested through the Property Tax Division using a "Budget Revision Request" form (available online at www.revenue.alabama.gov/forms). Once completed, these should be emailed to Brandon.Causey@revenue.alabama.gov.

Please also review any local legislation or constitutional amendments which are specific to your county's BOE. The wording should be carefully examined to determine whether they are still applicable and, if so, to what extent. These local laws should be considered when ensuring adequate funding in this year's budget.

If you have any questions regarding the implementation of this act or its potential effects on your local legislation or funding, please contact our office at 334-242-1525.

RWM:bc
Attachment: Act 2021-173

1 "§40-3-8.

2 "(a) In every county except a county subject to
3 subsection (b) of this section, the compensation of the
4 members of any board of equalization and adjustments, as
5 provided in Section 40-3-7, shall be paid ~~22 1/2 percent by~~
6 ~~the state, 38 3/4 percent by the county and 38 3/4 percent by~~
7 ~~the largest municipality in the county prorated in the county~~
8 ~~mapping and appraisal budget by each county governing body to~~
9 ~~each agency therein on the basis of the proportion of the net~~
10 ~~real and personal property taxes remitted to each agency in~~
11 ~~the county to the total amount received by all agencies of~~
12 ~~such county.~~

13 "(b) This subsection shall apply to any county of
14 the state having a population of 600,000 or more according to
15 the last or any subsequent federal census.

16 "In each county subject to this subsection, the
17 compensation of the members of any board of equalization and
18 adjustments, as provided in Section 40-3-7, shall be paid 22
19 1/2 percent by the state, 38 3/4 percent by the county and 38
20 3/4 percent by the largest municipality in the county.

21 "~~(c) The compensation of the members of the several~~
22 ~~county boards of equalization as provided for in Section~~
23 ~~40-3-7 shall be paid one third by the state, one third by the~~
24 ~~county and one third by any municipality in the county in~~
25 ~~which the total assessed value of all taxable property is~~

ACT #2021 - 173

1 SB54
2 208999-2
3 By Senator Sanders-Fortier
4 RFD: Governmental Affairs
5 First Read: 02-FEB-21
6 PFD: 01/19/2021

