


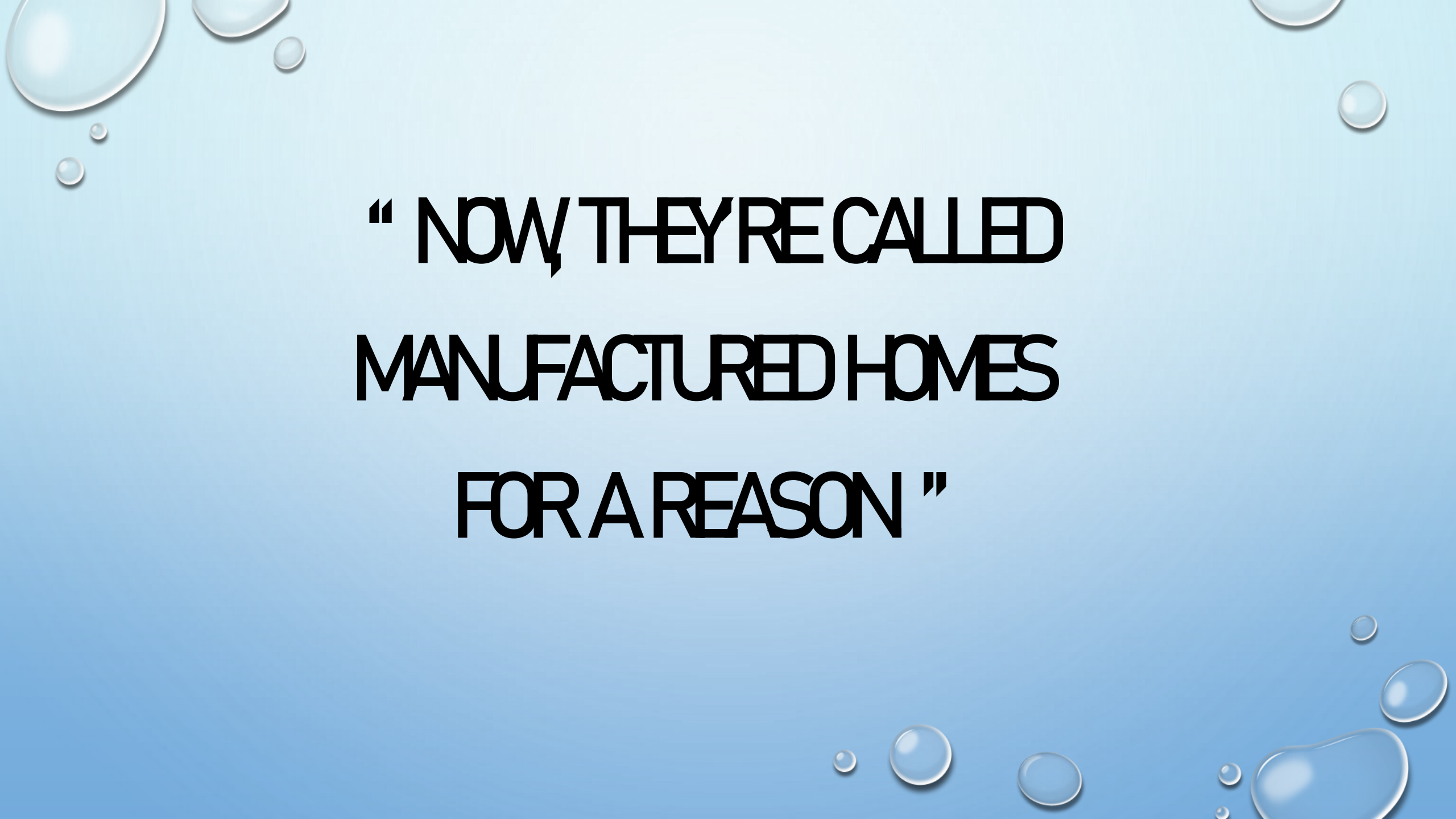
# **MANUFACTURED HOMES**

AUGUST 3-5, 2022

AAA0 SUMMER CONFERENCE

The background is a light blue gradient with several realistic water droplets of various sizes scattered across the top and bottom edges. The text is centered in a bold, black, sans-serif font.

**'THEY USED TO BE CALLED  
MOBILE HOMES FOR A REASON'**

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**“ NOW, THEY'RE CALLED  
MANUFACTURED HOMES  
FOR A REASON ”**



**FIRST, THEY BUILD THE FRAME  
OF THE HOME.**

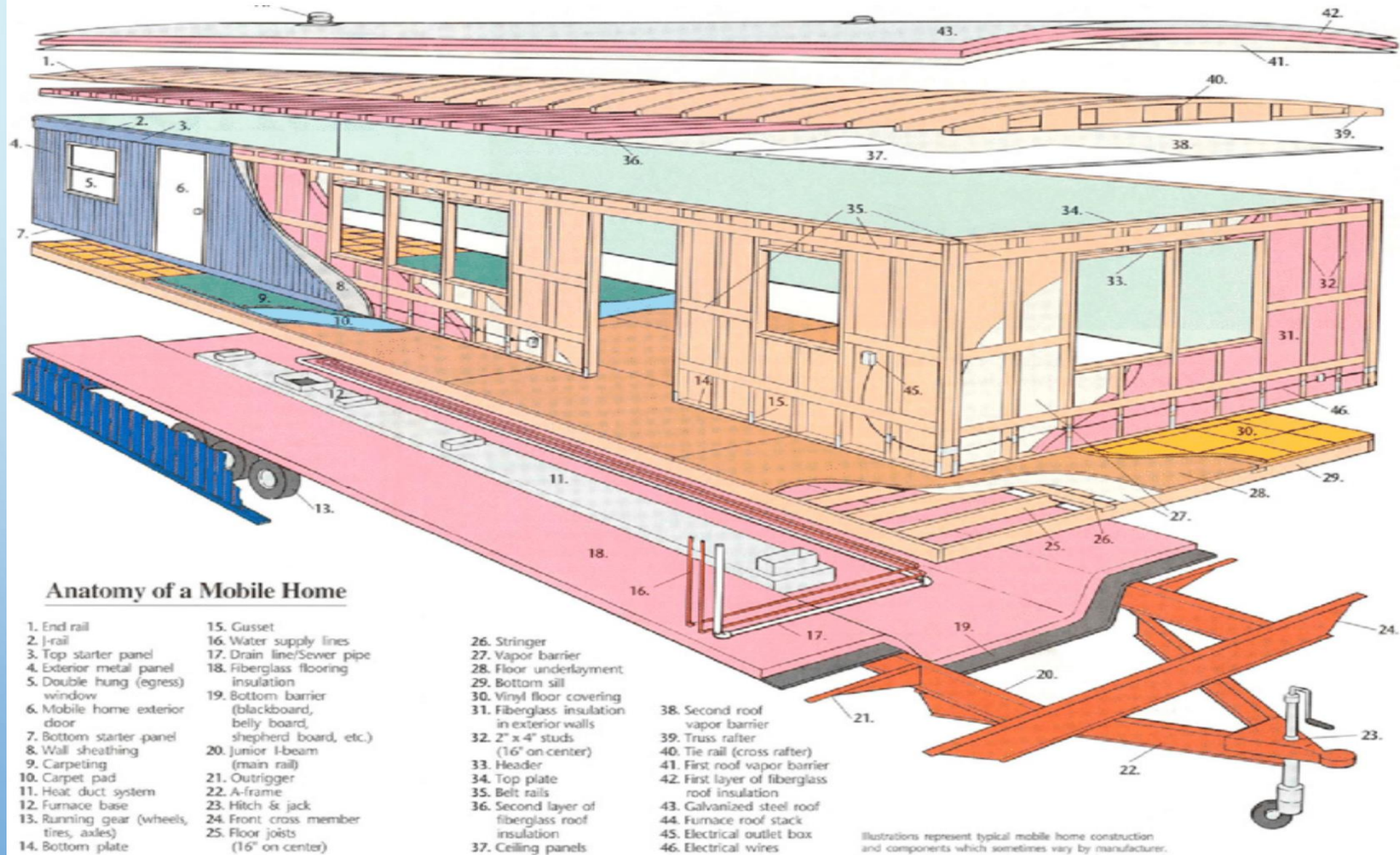


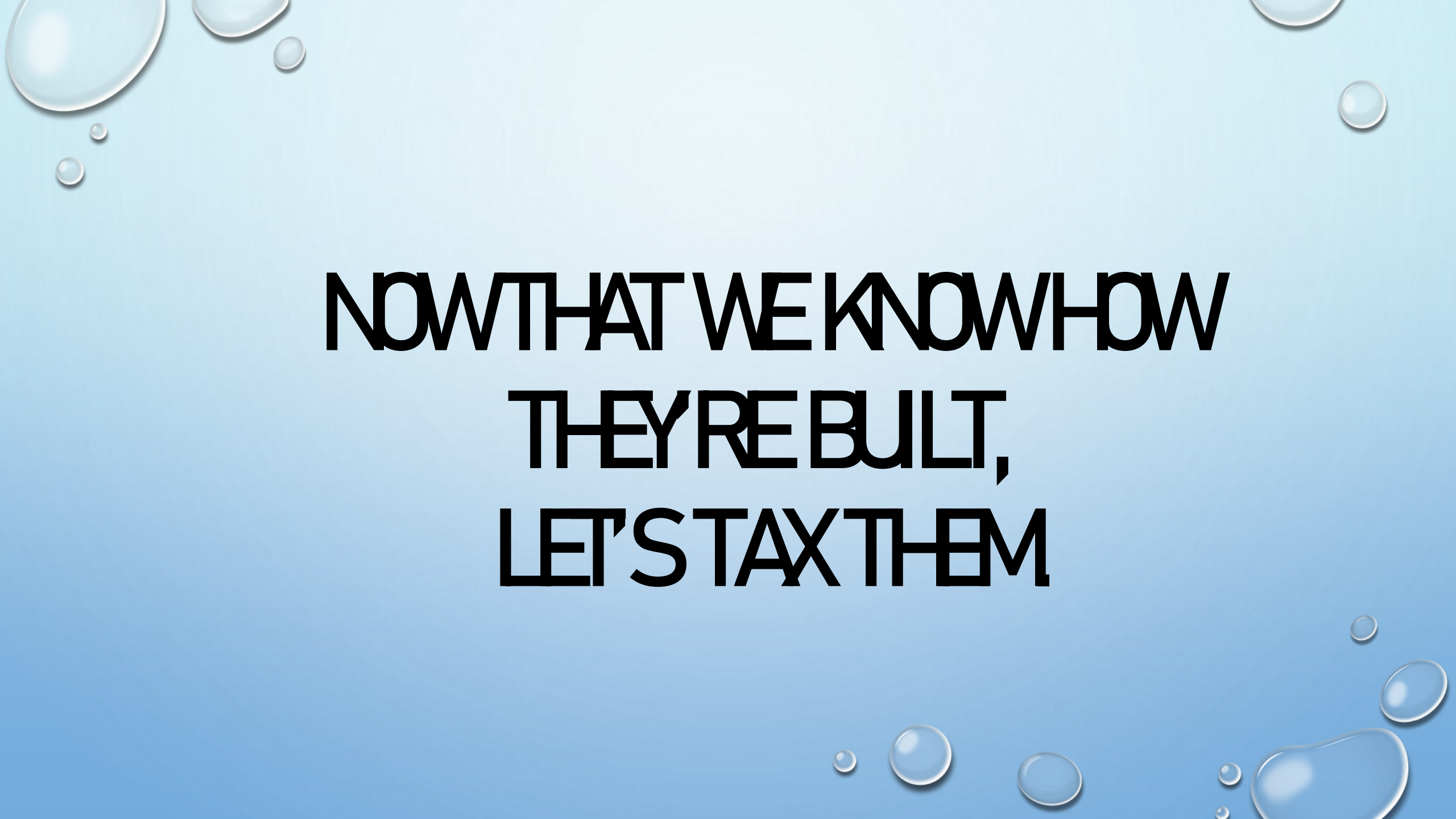
**SECOND, THEY STAND UP THE WALLS, LAY FLOORING AND EVEN INSTALL PLUMBING FIXTURES.**



**THEN, THE FINISHING TOUCHES ARE ADDED.**

# Mobile Home Construction Diagram





**NOW THAT WE KNOW HOW  
THEY REBUILT,  
LET'S TAX THEM**



# **MANUFACTURED HOMES**

- Depending on ownership and use, manufactured homes may either be,
  - Registered with the local issuing official, or
  - Assessed for property taxation with the land
- Manufactured Home Code 40-12-255
- Administrative Rule 810-4-2-.06

The background is a light blue gradient with several realistic water droplets of various sizes scattered in the corners. The text is centered and consists of two lines: the top line is underlined and the bottom line is also underlined.

**REGISTERED MANUFACTURED**  
**HOMES**

# **REGISTERED MANUFACTURED HOMES**

- Manufactured homes must be registered if,
  - The owner of the home differs from the owner of the land
  - The manufactured home is rented or leased.
- Registration Period
  - Occurs between Oct. 1<sup>st</sup> and Nov. 30<sup>th</sup> each year.
  - When registering a home for the first time, owners have 30 days from the date of purchase or 30 days after entry into the state.

# **REGISTERED MANUFACTURED HOMES**

Documents needed for initial registration:

- Bill of sale or sales contract showing,
  - Date the home was purchased
  - That sales tax/casual sales tax has been paid
- Certificate of title or application for title (Code Section 32-20-21(4), no title issued for homes 1999 and older)

# **REGISTRATION DECALS**

- When registered, the taxpayer is issued a decal that should be immediately be placed on the home
  - Registration is good statewide, only need to notify the issuing official where the home is currently located.
- After the initial registration, the documentation will be kept on record
  - Taxpayer should renew each year
  - Must issue a new decal with each renewal

# **REGISTRATION FEES**

- The Code of Alabama sets the fees for registration:
  - Owner-Occupied Single Wide .....\$24
  - Owner-Occupied Double Wide or larger ..... \$48
  - Commercial Single Wide ..... \$48
  - Commercial Double Wide .....\$96

# ADJUSTMENTS to REGISTRATION FEES

- Fee is reduced according to the home's age:
  - 1-9 years old ..... 100% of fee paid
  - 10-19 years old ..... 75% of fee paid
  - 20+ years old ..... 50% of fee paid
- Fee may be reduced for the first registration depending on purchase or entry date:
  - October 1<sup>st</sup> – December 31<sup>st</sup> ..... 100% of fee paid
  - January 1<sup>st</sup> – March 31<sup>st</sup> ..... 75% of fee paid
  - April 1<sup>st</sup> – June 30<sup>th</sup> ..... 50% of fee paid
  - July 1<sup>st</sup> – September 30<sup>th</sup> ..... 25% of fee paid

# **REGISTRATION EXEMPTIONS**

Homeowners 65 and older *§40-12-255(i)*

- Proof of age required initially
- Exempt from the registration fee
- Must still pay \$5 issuance fee
- Exemptions must be claimed and decal issued annually
- Owners own fail to claim/renew registration annually will be subject to registration fee, delinquent fee, citation fee and a penalty.



# **REGISTRATION EXEMPTIONS**

Totally disabled homeowners §40-12-255(i)

- Proof of total disability required initially
  - Written certification from two AL licensed physicians
  - Certificate from Veterans' or Social Security Administrations
- Exempt from the registration fee
- Must still pay \$5 issuance fee
- Exemption must be claimed and decal issued annually

# REGISTRATION EXEMPTIONS

- Government-owned homes *§40-12-255(m)*
  - Homes owned by the US government, state, county or any incorporated municipality are exempt
  - Decal not required, but may be issued at no charge
- Owned by exempt organizations
  - Homes owned by statutorily exempt organizations are exempt from registration and issuance fees
  - Decal issued at no charge
  - Owner must remember to request the decal annually

# **REGISTRATION EXEMPTIONS**

- Dealer Inventory *§40-12-255(g)*
  - Manufactured homes dealer's inventories are exempt
  - Decal not required
- Nonresident military personnel *50 U.S.C. §§3901-4043*
  - Military personnel stationed in Alabama under orders are exempt from the registration fee
  - Must still pay \$5 issuance fee
  - Exemption must be claimed and decal issued annually

# Citations and Penalties

- Delinquent fee
  - \$10 fee for failure to pay registration fee on time for each delinquent year
  - \$10 fee for failure to register within 30 days of purchase date
  - New owners not liable for prior owners fees/penalties
- Citation fee
  - \$15 fee for failure to pay registration fee or display decal
  - Fee applied when violation is discovered
  - If not paid in 15 days, additional \$24 penalty is assessed







# DISTRIBUTION OF FEES

- Registration fees, delinquent fees and penalties are distributed  $\frac{1}{4}$  each to:
  - State General Fund
  - County General Fund
  - County/City School Board
  - City\*

\* If outside of a municipality, County General Fund receives this portion



# **DISTRIBUTION OF FEES**

- Decal issuance fee (\$5):
  - County General Fund ..... \$4
  - County Treasurer ..... \$1 (to be used by the issuing official)
  
- Citation fee (\$15):
  - Full fee to the County General Fund  
(if cited by county license inspector)
  - Full fee to the issuing official's fund  
(if cited by an employee of the issuing official)

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**MANUFACTURED HOMES**  
**ASSESSED FOR PROPERTY TAX**

# **WHEN HOMES MUST BE ASSESSED**

- Must be assessed for property taxation when,
  - The owner of the manufactured home is the same as the owner of the land
  - For joint ownership, at least one person has ownership interest in both the land and the manufactured home
- Cannot be assessed for property taxation when,
  - Leased or rented, regardless of ownership
  - In the inventory of a dealer

# **MANUFACTURED HOME ASSESSMENT**

- Manufactured homes are treated in the same way and in the same time frame as all other real property
- Documents needed to assess for property tax:
  - Bill of sale, showing purchase date
  - Proof of sales tax being paid
  - Deed or other conveying instrument
  - Manufacturer's certificate of origin (proof of surrender)

# **ASSESSING PREVIOUSLY REGISTERED HOMES**

- Assessing offices may be notified by owners when they obtain title to the land
- Appraisers should also check manufactured homes during their regular review:
  - Take note of the decal number to research later
  - Check registered home owner and the land owner
  - If the same owner, record the home as an improvement to the property
  - Alert the assessing office of the changes

# **APPRAISAL PROCESS**

- Valued as specified in the *Alabama Real Property Appraisal Manual*
  - Chapter 12: Manufactured Homes
  - Includes instructions for classification, appraisal, appendages, extra features, etc.

# APPRAISAL PROCESS

## Steps in the Appraisal Process:

- Classify
- Calculate total adjusted area
  - Base area of the structure
  - Adjusted area of appendages (porches, decks, etc.)
- Determine replacement cost new
  - Cost of manufactured home
  - Cost of extra features
- Index replacement cost new
- Add extra features
- Depreciate

# APPRAISAL PROCESS

- Classification
  - Use the Real Property Manual to help select the correct property class
- Calculate total adjusted area; sum of....
  - Calculated base area (square footage of living area)
  - Calculated appendage area (square footage of an appendage multiplied by the appropriate decimal)



# APPRAISAL PROCESS

- Determine replacement cost new
  - Total adjusted area multiplied by the appropriate base rate from the Real Property Manual
- Index replacement cost new
  - Multiply replacement cost new by the county's index

# APPRAISAL PROCESS

- Add extra features
  - Value extra features (ex. skirting) according to the Real Property Manual then add to the indexed value
- Depreciation
  - Multiply the total, indexed replacement cost new by the appropriate percent good derived from a physical inspection of the home
  - Percent good based on condition and effective age
  - The Alabama Real Property Appraisal Manual provides guidelines to assist in determining depreciation

# **MANUFACTURED HOME ASSESSMENT**

- May be Class 2 (20%) if,
  - Occupied by someone else, rent free
  - Used as the owner's place of business
- May be Class 3 (10%) if both,
  - Exclusively single-family, owner-occupied
  - Located on the land of the manufactured home owner
- Eligible for all homestead exemptions and other real property exemptions





# **PROPERTY TAX DECAL**

- When assessed for property tax, a different decal is issued
- Decals will be furnished to the assessing official by ALDOR

# RETAINING DECALS FOR AUDIT

- Retaining decals for audit
  - Examiners of Public Accounts audits decals for **both** registrations and property taxation
  - Officials should ensure that decals are accounted for and stored securely
- The following reports must be sent to the State Comptroller and ALDOR by the 20<sup>th</sup> of each month:
  - Summary of money collected, along with a check for the money collected
  - Manufactured Home Summary Report (decal count)
  - Send these reports regardless if collected any money or not

# **DECAL DESTRUCTION**

- Officials should keep all unissued decals in a secure area until Examiners of Public Accounts complete its audit
- Once the audit is complete, decals must be destroyed immediately















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