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NOV 24 1981

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Honorable John C. Ramsey
Tax Assessor, Marengo County
P. O. Box 515
Linden, AL 36748

Ad Valorem Taxes

House owned by a corporation not Class III property under Amendment 373, Constitution of Alabama 1901.

Dear Mr. Ramsey:

In your recent request for an opinion you ask whether a house which is owned by a corporation and in which a stockholder of the corporation resides may be assessed for ad valorem taxation as Class III property under Amendment 373 to the Constitution of Alabama 1901. Your question is answered in the negative. Under Amendment 373, Class III property consists of "all agricultural, forest and single-family owner-occupied residential property, and historic buildings and sites". Section 40-8-1, Code of Alabama 1975 further defines all residential property as "real property used exclusively as a single family dwelling by the owner thereof". In order to be considered Class III residential property for purposes of ad valorem taxation in Alabama, said property must be occupied as a single-family residence by the owners of the property. It is a well settled principle of law that a corporation is a separate legal entity from its stockholders. The property in question is owned by a corporation which is a separate legal entity from the shareholder who occupies said property. Therefore the property cannot be said to be occupied by its owner as a single family for the reason that the owner is a corpo-

ration and a corporation cannot be a family. For this reason the property does not qualify as Class III property.

Sincerely yours,

CHARLES A. GRADDICK
Attorney General

By-

A handwritten signature in cursive script, appearing to read "Ron Bowden", followed by a horizontal line extending to the right.

RON BOWDEN
Assistant Attorney General

RB:cbc