

# OFFICE OF THE ATTORNEY GENERAL

86-00122



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JAN 13 1986

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REVENUE DEPARTMENT

Honorable Lynwood Clark  
Tax Assessor, Marion County  
P. O. Box 550  
Hamilton, AL 35570

Exemptions - Ad Valorem Taxes -  
Industrial Development Boards

Motel owned by city is exempt  
from taxation.

Dear Mr. Clark:

In your request for an opinion, you state that the City of Hamilton, Alabama holds title to the Hamilton Holiday Inn and leases it to Toll Gate Inns, Inc. You ask whether the inn is subject to taxation in light of §11-54-96.1, Code of Alabama 1975, which provides that all hotels and motor inns built under §11-54-80 shall not be exempt from ad valorem taxes. You also ask when the tax liability, if any, begins.

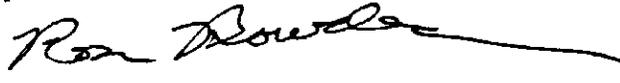
Section 11-54-96, Code of Alabama 1975, exempts from taxation the property owned by Industrial Development Boards. Section 11-54-96.1 creates an exception to the tax exemption for hotels and motor inns. Therefore, hotels and motor inns owned by Industrial Development Boards are subject to taxation. However, the property to which you refer is not owned by an Industrial Development Board, but instead is owned by the City of Hamilton. It is unclear from the materials provided by you under what statutory authority the inn was built. It evidently was not built under the provisions of §11-54-80, et seq., Code of Alabama 1975, which deals with Industrial Development Boards. Since the property is owned by the city, it is probable that it was built under the authority contained in §11-54-140, et seq., Code of Alabama 1975 (Article 5, entitled Acquisition, Etc. of Projects for Promotion of Hotel Services and Other Businesses Generally in Certain Municipalities). Section 11-54-150 provides that all projects built under the provisions of Article 5 are exempt from

all taxation in the State of Alabama. Furthermore, §40-9-1, Code of Alabama 1975, exempts from taxation all property, real and personal, of municipal corporations in this state. Since the inn in question is owned by the City of Hamilton, it is exempt from taxation. Your first question is answered in the affirmative. Your second question is rendered moot by the answer to the first question.

Sincerely yours,

CHARLES A. GRADDICK

By-

A handwritten signature in black ink, appearing to read "Ron Bowden", with a long horizontal flourish extending to the right.

RON BOWDEN  
Assistant Attorney General

RB:je

AG02-Clark