



PAPER WORK NEEDED

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FOREST MANAGEMENT SPECIALISTS, INC.

AL RF #1426

AL REAL ESTATE SALESPERSON # 92973 (DON BEHEL REALTY)

OVERVIEW

- ▶ 1) Record Deed
- ▶ 2) Assess as Current-Use
- ▶ 3) Establish Tax Basis
- ▶ 4) Gather names of neighbors
- ▶ 5) Estate planning
- ▶ 6) Forest management plans

1) Record Deed

- ▶ Definitions
- ▶ Types of Deeds
- ▶ Recording Process

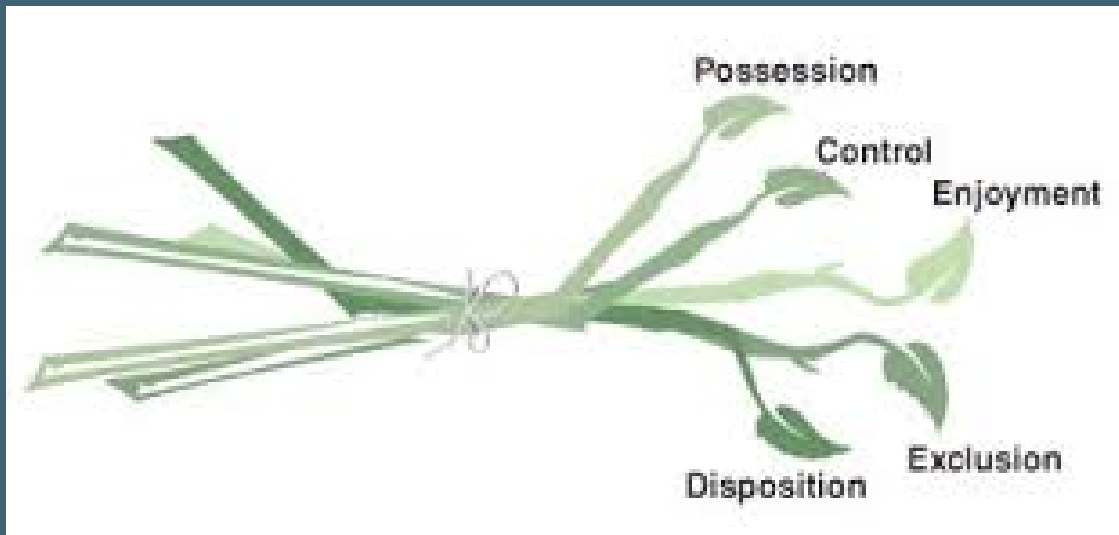
1) Record Deed (Definitions)

- ▶ Recording – is the act of placing documents in the public record.



1) Record Deed (Definitions)

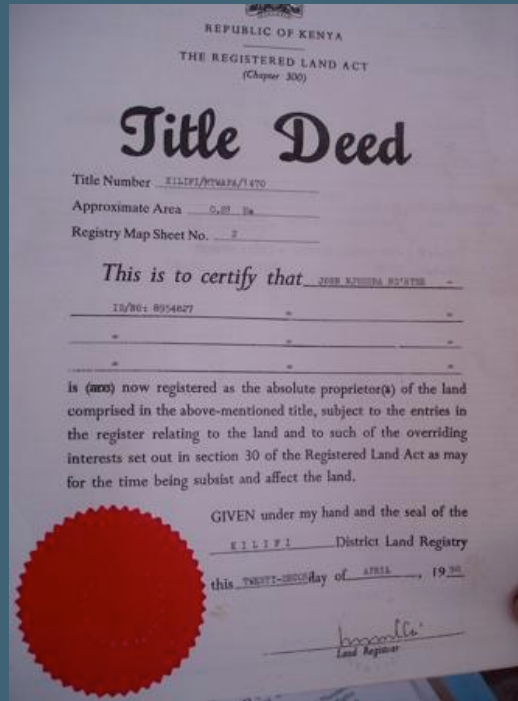
- ▶ Title – (1) the right to or ownership of the land as represented by the owner's bundle of rights



- ▶ and (2) evidence of that ownership by a deed. Title refers to ownership of real property, not to a printed document.

1) Record Deed (Definitions)

- ▶ Deed – The document by which the owner transfers title to the real property.



1) Record Deed (Definitions)

- ▶ Appurtenance – a right or privilege associated with the property, although not necessarily a part of it.



1) Record Deed (Types of Deeds)

- ▶ Types of Deeds in Alabama
 - ▶ General Warranty
 - ▶ Statutory Warranty
 - ▶ Quitclaim
- ▶ Requirements

1) Record Deed (Recording Process)

Source: Chris Bobo, President Alabama Land Services
Florence, AL

- ▶ Deed and mortgage (if any) are recorded.
- ▶ Clerk of the Circuit Court makes enters docs into the permanent record.
- ▶ Docs are recorded into a book with a page number.

2) Assess as Current-Use



2) Assess as Current-Use (Introduction)

- ▶ Ala Code Sec. 40-7-25.1 Class III Property
- ▶ Current Use Value.
- ▶ Failure to request appraisal at current use value.
- ▶ Assessor utilizes the “standard value” method
- ▶ Property assessed as “agricultural and forest” productivity rating (Scale 1-10)

2) Assess as Current-Use (Making the Election)

- ▶ Making the “current use” election (Ala Code Sec. 40-7-25.2):
 - * Make election Oct. 1 – Jan. 1
 - * Application shall include:
 - Description of the real property
 - General description of the uses to which it is being put
 - Aerial photographs
 - Other information required by tax assessor
 - * Not required to repeat the application
 - * New owner must apply for current use valuation

2) Assess as Current-Use (Conversion)

- ▶ Conversion of Class III property
 - * Converted to any other use .
 - * Tax Assessor shall revalue the property.
 - * Collecting any additional taxes due.
 - * Based on the sales price or the fair and reasonable market
 - * For the preceding 3 ad valorem tax years

3) Establish Tax Basis

- ▶ Definition
- ▶ How to determine
- ▶ Adjusted basis

3) Establish Tax Basis (Definition)

- ▶ Basis
- ▶ Used to calculate taxable gain/loss
- ▶ "Only the net gainis taxed."

3) Establish Tax Basis (Determining Basis)

- ▶ IRS recommends
- ▶ The best indicator are "Comps"
- ▶ Alabama Registered Forester

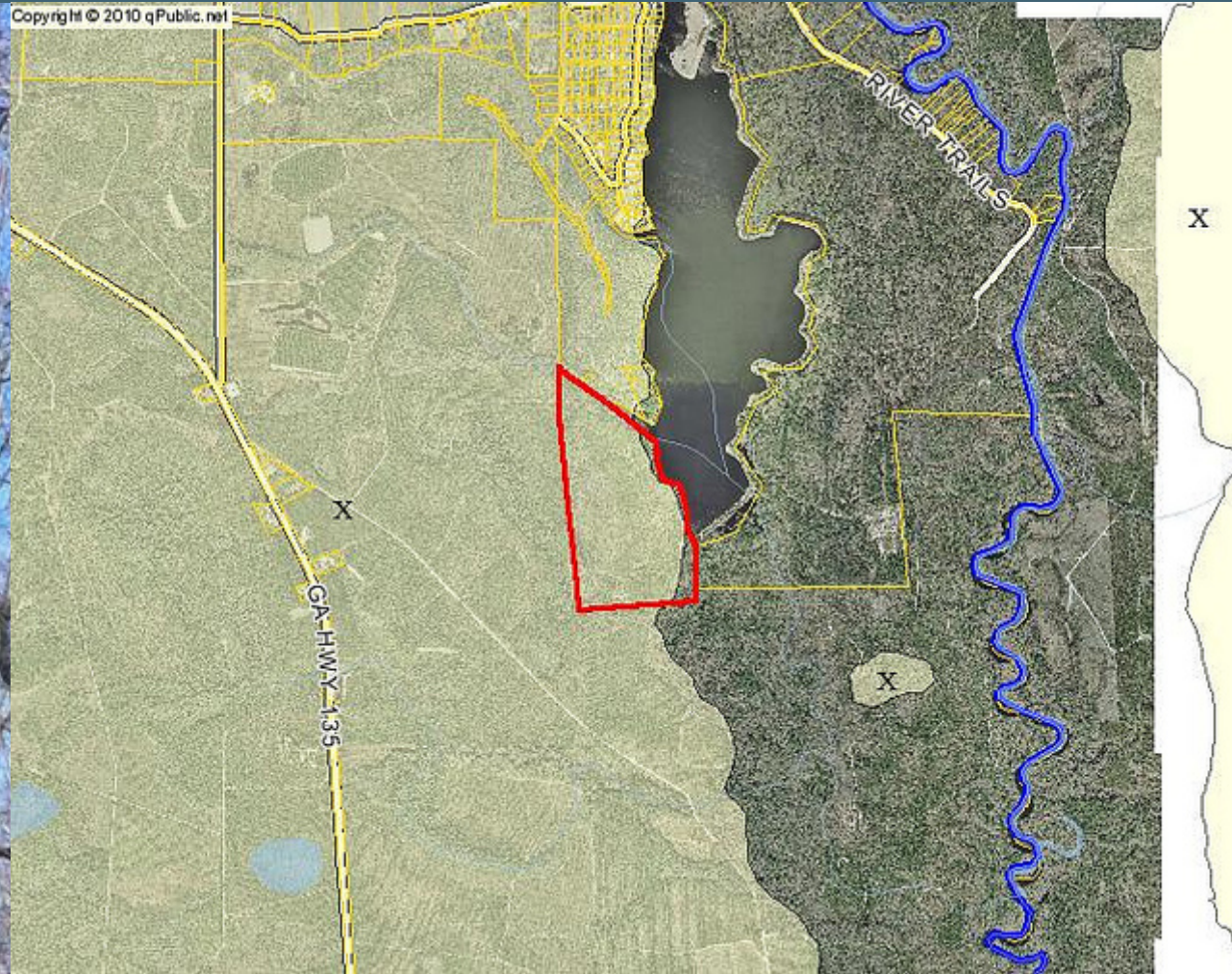
3) Establish Tax Basis (Adjusted Basis)

- ▶ The original basis will change

4) Gather Names of Neighbors

- ▶ Search tax records
- ▶ Talk to previous owner
- ▶ Approach adjoining houses

4) Gather Names of Neighbors (Technology)



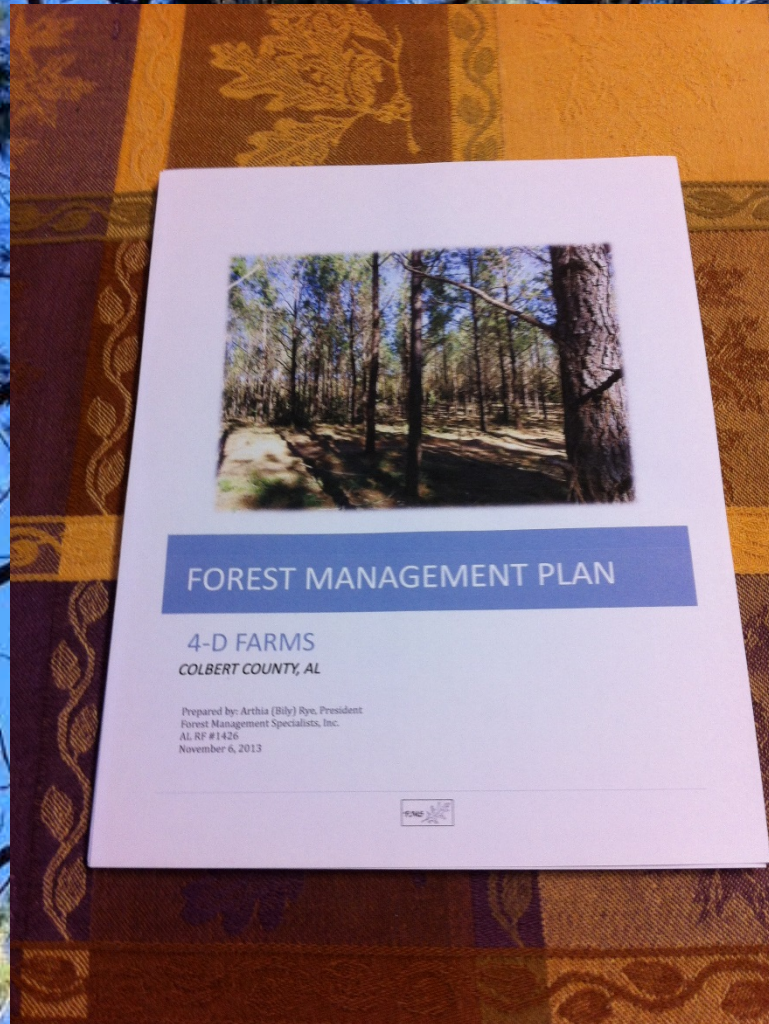
4) Gather Names of Neighbors (Courthouse Search)



4) Gather Names of Neighbors (Other)

- ▶ Talk to previous owner
- ▶ Approach adjoining houses

5) Forest Management Plan



FOREST MANAGEMENT PLAN

4-D FARMS
COLBERT COUNTY, AL

Prepared by: Arthia (Bily) Rye, President
Forest Management Specialists, Inc.
AL RF # 1426
November 6, 2013



5) Forest Management Plan (Planning Process)

Objectives

Assessment

Route



5) Forest Management Plan (Components)

- ▶ Property Information
- ▶ Maps
- ▶ Stand Descriptions
- ▶ Other Areas
- ▶ Management Summary
- ▶ Reminders

6) Estate Planning

Source: Myra Roberts, CPA, CVA, AEP

Barfield, Murphy, Shank & Smith, LLC Birmingham, AL

- ▶ “Estate planning is not a one-time event, but a continual process to ensure your legacy. The following are typically involved in estate planning:
 - 1) Analysis of assets
 - 2) Asset protection planning
 - 3) Asset valuation
 - 4) Business succession planning
 - 5) Charitable planning
 - 6) Consideration of life insurance

6) Estate Planning (con't)

7) Minimization of taxes, if possible

8) Planning for your family's financial security and funding education

9) Planning for your retirement

10) Selection of beneficiaries and guardians

11) Selection of personal representatives

12) Wealth transfer to your beneficiaries

13) **Will and Trust establishment**



The End

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