

Updated 2011 Value Threshold for Alabama Small Estates

May 26, 2011 By Jeramie Fortenberry

I have written about the [2009 amendment](#) to the [Alabama Small Estates Act](#) that made it much more useful to [Alabama probate attorneys](#). Specifically, the Act was amended to raise the dollar threshold from \$3,000 to \$25,000. Under the 2009 amendment, estates worth \$25,000 can qualify for summary distribution under the Act.

The 2009 amendment also provided that the \$25,000 threshold was to be indexed for inflation (tied to the Consumer Price Index). The Alabama State Finance Director is responsible for making the inflation adjustments and reporting to the probate court.

On April 5, 2011, the State Finance Director notified the probate judges that the adjustments have been computed. Here they are:

- For 2009, an estate must be worth \$25,000 or less to qualify for summary distribution.
- For 2010, an estate must be worth \$25,410 or less to qualify for summary distribution.
- For 2011, an estate must be worth \$25,791 or less to qualify for summary distribution.

The State Finance Director issued this accompanying statement:

“Because the CPI-U for a calendar year is not published until January of the succeeding year, the adjustment provided will reflect the change for the previous calendar year, but will be effective for twelve months beginning the following March 1. For example, the value of \$25,791 established for 2011 will be used for the period March 1, 2011 through February 29th, 2012.”

To sum it up, the Alabama Small Estate procedure could be useful for [personal representatives](#) of for decedents dying between March 1, 2011, and February 29, 2012, if:

1. The decedent owned Alabama assets but did not own real estate;
2. The total value of the decedent's assets is less than \$25,719; and
3. There are no outstanding debts of the estate.

For more information, check out my discussion of the [Alabama Small Estates Act](#).