



FISCAL NOTE

House Bill 73

Committee: Finance and Taxation General Fund Sponsor: Representative Phillip Pettus

Analyst: Riley Aaron

Date: 04/17/2024

House Bill 73 as passed the House of Representatives could decrease potential future ad valorem tax receipts collected on Class II and Class III properties to the following funds by the estimated annual amounts listed by capping growth in the assessed value of Class II and Class III properties at 7% each, of the assessed value of the previous year, pursuant to the provisions of this bill. These estimates are based on the average annual growth in assessed values for Class II and Class III properties between 2019 and 2022 (taxes collected in Fiscal Years 2020 through 2023). The cap on the growth in the assessed value of these properties shall begin in fiscal year 2025 and continue through fiscal year 2028.

Source	State	County	School	Municipal	Total
Ad Valorem Tax	Public School Funds: \$127k	\$854k	\$0	\$730k	\$1.13M
	State General Fund: \$106k				
	Veterans' Assistance Fund: \$42k				
	Alabama Historical Commission: \$423				
	Total: \$275k				

In addition, this bill would increase the administrative obligations of the Alabama Department of Revenue to analyze the data and assessed valuation of these properties and report findings regarding the valuation impact of the cap.