



## FISCAL NOTE

### House Bill 167

Committee: Ways and Means General Fund

Sponsor: Representative Jamie Kiel

Analyst: Riley Aaron

Date: 01/23/2026

**House Bill 167** as introduced could decrease potential future ad valorem tax receipts by the estimated annual amounts listed in the table below by revising the existing cap on the growth in assessed values on Class II and Class III properties from 7%, under current law, to the percentage increase in the Consumer Price Index (CPI). This bill would provide this change would be effective retroactively to October 1, 2024. Current law sunsets this cap with the fiscal year beginning October 1, 2027.

These estimates are based on the average annual growth in assessed values for Class II and Class III properties statewide between 2018 and 2022 (taxes collected in Fiscal Years 2020 through 2023) and CPI of 2.6% from 2025.

Source	State	County	School	Municipal	Total
<b>Ad Valorem Tax</b>	Public School Funds: \$8.43M	\$40.61M	\$42.55M	\$17.59M	<b>\$119M</b>
	State General Fund: \$7.02M				
	Veterans' Assistance Fund: \$2.78M				
	Alabama Historical Commission: \$28.09k				
	<b>Total: \$18.25M</b>				