



FISCAL NOTE

House Bill 404

Committee: County and Municipal
Government

Sponsor: Representative Rafferty

Analyst: Michael Russo

Date: 02/25/2026

House Bill 404 as introduced could decrease ad valorem tax receipts to the State General Fund, the Public School Fund, Veterans' Assistance Fund, the Alabama Historical Commission, and to county and municipal governments by an undetermined amount dependent on the assessed value of, and applicable millage rates on, and real property owned by a community land trust, created by ordinance of Class 1 municipality, and which would be exempt from all property taxes for up to three years under certain conditions, pursuant to this bill.

This bill could also increase or decrease ad valorem tax receipts to these funds by an undetermined amount dependent on the difference in: 1) such tax collected under current law; and 2) the tax collected pursuant to the provisions of this which would require such community land trust property to be assessed at the lesser of the limited equity price or fair market value using income method of valuation, and which would require leased community land trust residential property to be assessed using an income method of valuation.