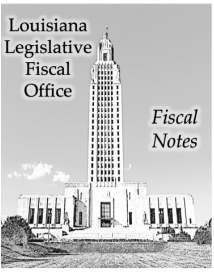


**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 521** HLS 26RS 255  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** May 12, 2026 1:40 PM **Author:** WILDER  
**Dept./Agy.:** Ad Valorem Taxing Authorities **Analyst:** Garrett Ordner  
**Subject:** Ad Valorem Tax Millage Adjustment Limits

TAX/AD VALOREM TAX EN SEE FISC NOTE LF RV See Note Page 1 of 1  
 (Constitutional Amendment) Authorizes a taxing authority to adjust a millage rate to the maximum authorized rate from a prior year's reassessment  
Present constitution requires an automatic adjustment in ad valorem millage rates upon reappraisal and valuation of property (reassessment) to ensure tax revenue collected in the year after reassessment is equal to the amount of tax revenue collected in the year prior to reassessment. Present constitution authorizes an increase in a millage rate up to the maximum authorized rate from the prior year's reassessment by a 2/3 vote of the total membership of the taxing authority without further voter approval. Further, present constitution provides that, if a taxing authority does not increase its millage rate up to the maximum authorized rate from the prior year's reassessment before the next reassessment, the taxing authority permanently loses the ability to increase its millage rate to the maximum authorized rate from the prior year's reassessment in the future. Proposed constitutional amendment allows a taxing authority to continue to levy a lower millage rate without subsequently losing its ability to adjust to the maximum authorized millage rate from a prior year's reassessment.

To be submitted to the electors at the statewide election to be held on November 3, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>SEE BELOW</b>	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**  
 The Secretary of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Secretary of State may require additional SGF resources for the November 3, 2026, statewide election. Any expenditure impact would be realized in FY 27. There is no other anticipated impact on governmental expenditures.

**REVENUE EXPLANATION**  
Proposed constitutional amendment may result in foregone ad valorem tax revenues by allowing taxing authorities to continue taxing at a lower millage post-reassessment without losing their ability to adjust the millage to a prior maximum at a later date. However, this will depend on the decision of each taxing authority on whether they defer "rolling forward" their millages for longer due to the proposed constitutional amendment; therefore, the extent of any decrease is indeterminable.

Currently, after a reassessment, millage rates are subsequently adjusted to keep ad valorem tax revenues from increasing or decreasing. If the millage is adjusted downward, the local taxing authority can, by a two-thirds vote and after a public hearing, elect to increase ("roll forward") the millage up to the prior year's maximum. This allows the local taxing authority to capture the revenue associated with the increase in the value of the existing tax base. However, if the taxing authority does not implement this increase before the next reassessment, then it permanently loses the ability to increase rates to that maximum millage.

By allowing local taxing authorities to retain the ability to return to a prior year's maximum millage rate even after the following reassessment, they may elect to continue using the lower millage rate for longer, as there would no longer be a "use it or lose it" incentive to increase the millage before the next reassessment. However, the extent to which local taxing authorities will defer rolling forward their millages because of proposed constitutional amendment is indeterminable.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S &amp; H}</p> <p><input type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S &amp; H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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**Alan M. Boxberger**  
**Legislative Fiscal Officer**