LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 570** HLS 26RS 562
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 12, 2026 1:41 PM **Author:** WILDER
Dept./Agy.: Ad Valorem Taxing Authorities
Subject: Ad Valorem Tax Millage Adjustment Limits **Analyst:** Garrett Ordner

TAX/AD VALOREM TAX EN SEE FISC NOTE LF RV See Note

Authorizes a taxing authority to adjust a millage rate to the maximum authorized rate after a reassessment and establishes limits to millage adjustments

Present constitution requires an automatic adjustment in ad valorem millage rates upon reappraisal and valuation of property to ensure tax revenue collected in the year after reassessment is equal to the amount of tax revenue collected in the year prior. Present law and constitution authorize 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; and provide 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 one, the taxing authority permanently loses the ability to increase its millage rate to the maximum authorized rate from the prior year's reassessment.

Proposed law 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; prohibits a taxing authority from increasing a millage rate in excess of its adjusted millage rates established for the 2026 ad valorem tax year (2025 for Orleans); and requires that, if an immediate subsequent reassessment has an increased taxable value, then the adjusted maximum millage rate is reduced to the maximum authorized millage rate for the 2024 reassessment year (2023 for Orleans), as provided by the constitution and approved by the taxing authority. Contingent on approval of the proposed constitutional amendment contained in HB 521 of the 2026 RS.

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

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

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 law 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 law is indeterminable.

Proposed law contains a measure that prevents taxing authorities from rolling forward maximum millages that existed prior to proposed law by requiring any maximum millage rates not levied prior to the 2024 reassessment year (2023 reassessment year for Orleans Parish) be reduced to the adjusted maximum millage rate established for the 2026 ad valorem tax year (2025 ad valorem tax year for Orleans Parish). Additionally, if assessors conduct an immediate subsequent reassessment and the value of the tax base has increased, the adjusted maximum millage rate must be decreased to the maximum millage rate for the 2024 reassessment year (2023 reassessment year for Orleans Parish).

Finally, proposed law removes a restriction in present law which provides that if the governing authority membership of the taxing authority is not elected by the voters, they cannot roll forward millages to a level that would increase ad valorem tax revenue by more than 2.5% from the prior year. The removal of this restriction may allow such taxing authorities to further increase tax revenues, but this will vary by taxing authority and is indeterminable.

Senate — Dual Referral Rules

☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}

☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}

House

☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}

☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Legislative Fiscal Officer