



Proposed Property Tax Presentation Outline

1. Property Tax Overview
 - a. History and characteristics of property taxes
 - b. Strengths and weaknesses
 - c. Sources and uses
2. Property Taxes in Arkansas and Comparison to Other States
 - a. Levied by all of AR's 75 counties, 502 municipalities and 239 school districts
 - b. Arkansas one of the least property-tax reliant states (state aid for schools, local sales taxes)
 - c. Median property taxes across U.S. and in benchmark states
 - d. Lincoln Institute of Land Policy study re: effective tax rate
3. State-Local Relationships
 - a. Dillon's Rule and Home Rule
 - b. State's role in administering property taxes
 - c. Arkansas Assessment Coordination Department
4. Assessments, Reappraisals and Millage Rates
 - a. Assessments (include other state approaches and benchmarking)
 - b. Reappraisals (include other state approaches and benchmarking)
 - c. Millage rates (include variation on average millage rates by school districts across state as well as discussion re: limits; other state benchmarking)
5. Key Property Tax Issues (Including Discussion Relative to Other States)
 - a. Education funding
 - Lake View School District v. Huckabee
 - Federal/state/local reliance by state
 - State general formula assistance reliance by state
 - Local property taxes reliance by state
 - Per pupil spending by state
 - b. Property tax exemptions
 - Nonprofits and PILOTs (payments in lieu of taxes)
 - Other special interests
 - c. Franchise/inventory taxes
 - Usage in other states
 - d. Property taxation of public utilities
 - Unitary appraisal methodology
 - e. Tax increment financing
 - AR does not have many property tax incentives for ED but does use TIFs
 - f. Real estate transfer taxes
 - Imposed by state, counties and/or municipalities
 - Can be used for specific purposes
 - g. Voluntary property taxes



- U of Central Arkansas study (2017)
6. Property Tax Relief Mechanisms
 - a. How do Arkansas and other states limit property taxes imposed by local governments?
 - Limit property tax rates
 - Limit property tax revenues (levies)
 - Limit increases in assessed property values
 - b. Common property tax relief mechanisms
 - Circuit breakers
 - Homestead credits and exemptions
 7. Property Tax Reform Efforts Across the U.S. – Case Studies
 8. Current Issues and Trends Affecting Property Taxes
 - a. Federal tax changes (SALT deductions)
 - b. Other issues and trends (TBD)
 9. Summary: Opportunities for Arkansas