



**State of Arkansas  
Department of Finance and Administration  
Fiscal Impact Statement**

**Bill: HB1912**

**Bill Subtitle: TO AMEND THE DEFINITION OF "ASSESSED VALUE" FOR PURPOSES OF THE ASSESSMENT OF PROPERTY; AND TO ESTABLISH A METHOD OR PROCEDURE FOR THE VALUATION OF PROPERTY FOR TAXATION PURPOSES UNDER ARKANSAS CONSTITUTION, ARTICLE 16, § 5.**

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**Sponsors:**

**Rep. Lundstrum and Sen. Bryant**

**Basic Change:**

HB1912 amends the definition of "assessed value" to mean 15% of the appraised value of real property rather than 20%. Property tax in the state is levied on the assessed value of the real property. By statute, the assessed value of property is equal to 20% of the appraised value. HB1912 reduces the assessed value to 15% of the appraised value for assessment years beginning on or after January 1, 2026.

**Fiscal Impact:**

Significant reduction to local taxing entities such as public schools, counties, and cities.

**Taxpayer Impact:**

A taxpayer would see a decrease in real property tax.

**Resources Required:**

Software changes for county offices would be required. All published materials used by county officials must be updated. Education and training for county personnel.

**Time Required:**

Unknown.

**Procedural Changes:**

Property taxes would be calculated using 15% of the assessed value instead of the current 20% assessment level. The new assessment value would then be multiplied by the appropriate millage rate.

**Other Comments:**

None.

**Legal Analysis:**

None.