

SUMMARY ASSESSMENT PERCENTAGES AND TIMELINES

Property Type	Tax Year	AR (%)	Notes	Bill	Provisions
Nonresidential and Personal Property	2025	27%	The assessment rate for nonresidential property is reduced from 29% to 27%. This includes all types of nonresidential properties and personal property, as defined by the assessor.	§ 39-1-104(1.9)(a)	
Nonresidential and Personal Property	2026	26%	The rate is further reduced from 27% to 26%. This second reduction builds on the tax relief introduced in 2025.	§ 39-1-104(1.9)(b)	
Agricultural and Commercial Property	2026	25%	Ag properties, along with improved commercial properties, have their assessment rate further reduced to 25%.	§ 39-1-104(1.9)(b)	
Residential Property (Non-Senior)	2025	6.15% (Local) <hr/> 6.95% (School District)	If Statewide Actual Value Growth > 5%, residential property owners (excluding senior-qualified homeowners) will be taxed at these reduced assessment rates. The school district assessment rate is slightly higher than the local government's rate.	§ 39-1-104.2(3)(t.5)(I)	This provision applies only if Statewide Actual Value Growth is greater than 5%. § 39-1-104.2(3)(t.5)(I).
Qualified Senior Primary Residence	2025	6.25% or 6.15% (Local) <hr/> 7.05% or 6.95% (School)	Senior homeowners benefit from a reduction in assessed value based on 50% off the first \$200,000 of the actual property value. Lower rates apply if Statewide Actual Value Growth > 5%.	§ 39-1-104.2(3)(s), § 39-1-104.2(3)(s)(A.5)	Applies only to qualified senior primary residences. § 39-1-104.2(3)(s).
Residential Property (Non-Senior)	2026	6.7% (Local) <hr/> 6.95% (School District)	The 2026 assessment rates for non-senior residential properties provide a slight increase in local government taxes (6.7%) but keep the school district rate at 6.95%. These rates are triggered if the Statewide Actual Value Growth remains over 5%.	§ 39-1-104.2(3)(u.5)(I)	Applies only if Statewide Actual Value Growth is greater than 5%. § 39-1-104.2(3)(u.5)(I).
Qualified Senior Primary Residence	2026	6.8% (Local) <hr/> 7.05% (School District)	Seniors continue to receive a deduction on their first \$200,000 of property value. However, if Statewide Actual Value Growth is < 5%, local and school tax rates are marginally increased to 6.8% and 7.05%, respectively.	§ 39-1-104.2(3)(u)(I)	Applies only to qualified senior primary residences. § 39-1-104.2(3)(u)(I).

CAPS

a. Concept of Carryover

The carryover amount refers to the excess in property tax revenue that a local governmental entity or school district may retain from previous property tax years. If the entity's property tax revenue in the most recent reassessment cycle was below the statutory limits, it can "carry over" the unused capacity into future years.

- How it works: If a local government's revenue growth in a given year was below the allowed growth rate, the difference (the unused growth) can be added to future years' revenue limits, allowing the local government to increase its revenue beyond the normal cap without violating the law.
- No carryover scenario: If a local government hits its maximum revenue growth allowed during the reassessment cycle, then no carryover applies for future years.

b. How Yearly and 2-Year Caps Relate

The law introduces caps on property tax revenue that apply both on a yearly basis and over a two-year reassessment cycle. These caps are designed to control how much property tax revenue local governments and school districts can generate from year to year.

- Yearly cap: Each year, property tax revenues are limited by a percentage growth rate (e.g., 5% or 6%, depending on the property and entity). This yearly cap controls immediate revenue growth.
- 2-Year cap (reassessment cycle): Over a reassessment cycle (typically two years), the cumulative growth in revenue is also capped. If the revenue collected in one year is under the cap, the local government may carry over the unused portion into the next year, allowing for potentially higher revenue growth in the second year. This helps smooth out revenue fluctuations and offers some flexibility to local governments.

c. To be Determined

A few questions remaining for modeling: (1) Choosing the baseline to base future years off of; (2) can the backfill amount be included in this?