

# Millage Rate Rollback



**Charles Warren, CFO**

Sebastian County Assessor  
35 South 6Th Street, Room 105  
Ft Smith, AR 72901

Printed 7/18/2025

**Notice Of Real Estate Value Change**  
**This is NOT a Tax Bill**

A value change has been made on the property described below. The new value will be used to calculate property taxes for the assessment year 2025 for taxes due in 2026.

**Section I: Description**

**Homestead:** True      **Over 65:** False      **Disabled:** False

These indicators state if the parcel is receiving a Homestead Tax Credit for the current year, if it has a limitation in taxable value ( excluding substantial changes and decreases) due to being 65 or older and/or 100% disabled. Penalties are established by law for failure to notify the Assessor of change in homestead eligibility.

**Section II: Reason(s) For This Notice**

Countywide Reappraisal

**Section III: Valuation**

Assessment Year	Estimated Market Value	Assessed Value (20% of Market)	Taxable Value*
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<b>Section I: Description</b>
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Taxpayers owning real estate in the school district may have received a notice like this one.

A countywide reappraisal is typically done every 3 or 5 years. 2025 was Sebastian County's reappraisal year. A new law moved all counties to a 4-year reappraisal cycle.

This is the first reappraisal since the real estate market value increase caused by the pandemic.

Please note that the assessment is for 2025, but the taxes are due in 2026.

# Rollback

In November 2025, the District worked with Sebastian County elected officers to calculate the millage rollback for the District to move from 42.058 mills to 41.50 mills.

Therefore, when 2025 taxes are due in 2026, the millage rate will be posted as...

## 41.50 Mills

This millage rate is the new tax rate for real estate, personal property, and utility property. It is the millage rate that will be published for the 2026 school board elections.

# Impact to FSPS

Assuming 10% growth in real estate property assessment and no other growth...

Local revenue collections for FY27 is estimated to increase \$4.8 million.

**Factors:** Local assessment is up, though millage rate is down.

Assuming October 1 enrollment trend is applied to State revenue calculations...

State revenue collections for FY27 is estimated to decrease \$8.4 million.

**Factors:** Enrollment and the foundation funding rate is down.

Unfortunately, growth in local assessment results in lower state revenue due to state aid formula math.

**The net result is an estimated decrease in local and state funding of \$3.6 million.**

# Impact to FSPS

Mr. Mahan has shared with staff, school board and the community that the District is expecting a decline in operating funds. The previous slide is the updated projection.

Faced with the net decline of \$3.6 million in local and state revenue and the potential loss of millions more in federal funds, the District is studying options to address these challenges in funding next year, including...

- ...reviewing and adjusting these projections.
- ...utilization of transitional “bridge” funding.
- ...prioritization of programs and staff levels.
- ...monitoring legislation in the Spring 2026.

# Executive Summary for Taxpayers

During the 2025 reappraisal year, Sebastian County experienced real estate assessment growth exceeding 10% of the prior year's assessment, triggering millage rate rollback.

Therefore, property taxes paid in 2026 by Fort Smith citizens will utilize a new millage rate of 41.5 mills in place of the voter-approved millage rate of 42.058 mills.

The combination of the millage rate rollback, assessment growth caps, and the increase in the Homestead Credit may allow qualifying homeowners to enjoy an actual decrease in millage taxes paid in 2026 compared to 2025.