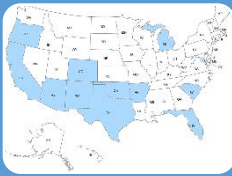




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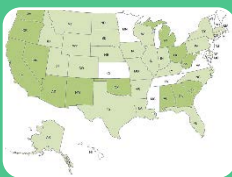
Property Tax Limits Demystified

Property tax limitations restrict property tax rates, levies, and/or assessments in all but four states. The interaction of these limits with fluctuating property values can lead to unusual variation in assessments and ultimately, property tax bills. Legal limitations on property taxes fall into three major categories:



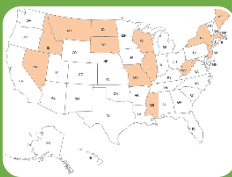
Assessment Limits

Restrict the amount by which a specific property's tax valuation can rise in a given year, no matter what the change in its actual market value (Youngman 2016)



Rate Limits

Restrict the tax rate so it is either frozen or limited by an index or formula



Levy Limits

Restrict the the amount of revenue raised by the property tax (levy) or the rate of growth in the levy

Property Tax Limitation Resources

Significant Features of the Property Tax, the Lincoln Institute’s comprehensive property tax database publishes records on 135 legal limitations on the property tax in effect in the 50 states and DC for 2015 and historic data on limitations in effect for years 2006 to 2015. Each record includes a description of the limit, the override process (if any), notes on its history, and a list of sources with links.

The screenshot shows the website interface for 'Significant Features of the Property Tax'. On the left is a navigation menu with categories like 'Topics', 'State-by-State', and 'Resources'. The main content area is titled 'Topics' and 'Tax Limits'. Below the title is a 'Hide table description' link and a paragraph of text explaining that states curtail local governments' ability to increase property taxes through three mechanisms: limitations on tax rates, assessed values, and tax levies. Below this is a 'More Resources' link.

There are three filter sections:

- Select one or more regions:** A dropdown menu with options: All, East North Central, East South Central, Middle Atlantic, Mountain.
- Select one or more states:** A dropdown menu with options: ALABAMA, ALASKA, ARIZONA, ARKANSAS, CALIFORNIA. There are 'Add' and 'Remove' buttons next to it.
- Selected States:** An empty dropdown menu.
- Select one or more years:** A dropdown menu with options: All, 2015, 2014, 2013, 2012.

Below the filters is a 'Limit Type:' dropdown menu with options: Rate Limit, Levy Limit, Revenue/Expenditure Limit, Full Disclosure/Truth in Taxation, Assessment Limit. A 'Create Table' button is located below the menu.

The main table displays the following data:

State	Year	Limit Name	Type of Limit	Footnotes	Sources	Record Identifier
NEVADA	2015	Local Government Operating Rule	Levy Limit	Click here	1	NV002_LM15
NEVADA	2015	Overall Levy Growth Limit (Partial Property Tax Abatement)	Levy Limit	Click here	2	NV003_LM15
NEVADA	2015	Overall Property Tax Rate Cap	Rate Limit	Click here	3	NV001_LM15

Below the table is a 'Sources' section with a table listing the sources for each record:

#	State	Source
1	NEVADA	Nev. Rev. Stat. § 354.59811 et seq.; Nev. Rev. Stat. § 354.5982 (in effect for 2015) Mullins, Daniel and Kimberly Cox. 1995. Tax and Expenditures Limits on Local Governments, M-194, Washington, DC: Advisory Commission on Intergovernmental Relations. View Archived Source
2	NEVADA	Nev. Rev. Stat. § 361.4722 ~ § 361.4724; Nev. Rev. Stat. §361.4727 ~ §361.4728 (in effect for 2015) Mullins, Daniel and Kimberly Cox. 1995. Tax and Expenditures Limits on Local Governments, M-194, Washington, DC: Advisory Commission on Intergovernmental Relations. View Archived Source
3	NEVADA	Nev. Rev. Stat. § 361.453; Nev. Rev. Stat. § 361.4545; Nev. Rev. Stat. § 354.705; Nev. Rev. Stat. § 450.760 (in effect for 2015) Nev. Const. Art. 10, § 2 Mullins, Daniel and Kimberly Cox. 1995. Tax and Expenditures Limits on Local Governments, M-194, Washington, DC: Advisory Commission on Intergovernmental Relations. View Archived Source

<http://datatoolkits.lincolninst.edu/subcenters/significant-features-property-tax/>

Property Tax Limitation Resources

The **State-by-State Property Tax at a Glance** narratives and visualization tool tell the unique story of the property tax in each of the 50 states and DC. The state narratives provide the context for each state's use of tax limits, telling the story of their adoption and practice. The visualization tool allows users to chart and map the use of assessment limits, rate limits and levy limits across the 50 states and DC. The integrated glossary defines terms such as "assessment limit" and "acquisition value based assessment system."

The screenshot displays the 'Significant Features of the Property Tax' tool interface. The main area shows a map of the United States with states colored in red and blue. A legend on the right lists states: VT, NH, MA, RI, CT, NJ, DE, MD, and DC. Below the map is a 'United States Overview' button. The sidebar on the right is titled 'Comparing' and includes buttons for 'Copy Link' and 'Clear'. It features filters for 'US', 'AZ', 'CA', 'ID', and 'NV'. The sidebar is divided into sections: 'Sources of Local General Revenue', 'Selected Property Tax Statistics', and 'Property Tax Features'. Under 'Property Tax Features', there are three sections: 'Limits on property tax rates or levies', 'Limits on the rate of growth of assessed value', and 'Circuit breaker property tax relief program'. Each section includes a horizontal bar chart showing the number of states that have implemented the feature. A yellow tooltip is visible over the 'Limits on property tax rates or levies' section, defining the feature as 'A legal limit on property tax rates so that they are either frozen or limited by an index or formula.'

Significant Features of the Property Tax® State-by-State Property Tax at a Glance

Now Viewing: Limits on the rate of growth of assessed value, 2013

United States Overview

Comparing Copy Link Clear

US AZ CA ID NV

Sources of Local General Revenue

Selected Property Tax Statistics

Property Tax Features

Limits on property tax rates or levies ?

US NO 6 YES 45

AZ YES

CA YES

ID YES

NV YES

Limits on the rate of growth of assessed value ?

US NO 32 YES 19

ID NO

NV NO

AZ YES

CA YES

Circuit breaker property tax relief program ?

US NO 17 YES 34

NV NO

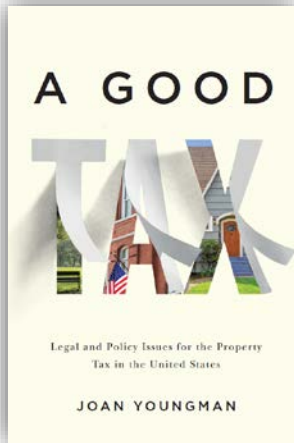
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A legal limit on property tax rates so that they are either frozen or limited by an index or formula.

<http://datatoolkits.lincolnst.edu/subcenters/significant-features-property-tax/state-by-state-property-tax-at-a-glance>

Property Tax Limitation Publications



A Good Tax

by Joan Youngman

Lincoln Institute of Land Policy

2016

This book devotes two chapters to tax limitations and accurate assessments. Youngman discusses how tax limitations can undermine the strength of the property tax. The full book is available for free download in pdf or epub format at the Lincoln Institute web site.

www.lincolnst.edu/sites/default/files/pubfiles/a-good-tax-full_2.pdf

“State-Imposed Property Tax Limitations: Trends and Outlook.”

by Bethany P. Paquin

State Tax Notes

August 24, 2015

“Chronicle of the 161-Year History of State-Imposed Property Tax Limitations”

by Bethany P. Paquin

Lincoln Institute of Land Policy Working Paper

April 2015

https://www.lincolnst.edu/pubs/dl/2538_1878_Paquin%20WP15BP1.pdf

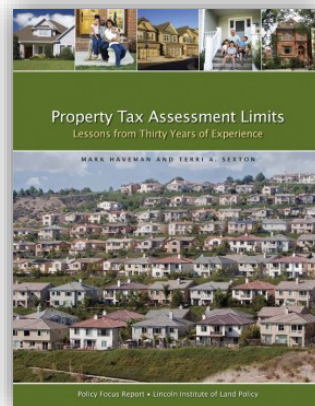
Property Tax Assessment Limits

by Mark Haveman and Terri Sexton

Lincoln Institute of Land Policy

2008

This policy focus report draws lessons from 30 years of experience with assessment limits and presents alternative tools for responding to taxpayer discontent. The full report is available for free download at the Lincoln Institute web site.



http://www.lincolnst.edu/sites/default/files/pubfiles/property-tax-assessment-limits-full_0.pdf

Property Tax Limitation Mysteries

1. **Confusing terminology**

Limits on property taxation often introduce confusing new terminology. For example, Oregon's Measure 50 defines a property's value three ways. Taxable assessed value (the value upon which the property tax is levied) is the lower of real market value and maximum assessed value. Growth in maximum assessed value is limited to 3 percent per year. Real market value is Oregon's term for true market value.

2. **Similar homes, very different tax bills**

Taxpayers in states with assessment limits may find very different tax bills for very similar homes. This is the case in California where the Supreme Court upheld the tax assessment for a Los Angeles condominium owner who argued her tax bill was almost five times that of her neighbors with identical property. In its ruling, the court noted this is not unusual under Prop 13.

3. **Surprisingly high increases in property tax bills**

Under a property tax limit such as Oregon's Measure 50, housing market fluctuations can lead to surprising jumps in a homeowner's tax bill. A property in Oregon with a real market value that has fallen lower than the maximum assessed value is assessed at the real market value. But if real market value increases by more than 3 percent in a year, the taxable assessed value of that property can increase until it reaches the maximum assessed value even if that increase is greater than 3 percent in one year. A [video](#) by Deschutes County, Oregon explains Measure 50 with the help of the Property Tax Fairy.

4. Losers among classes favored by assessment limit

Surprisingly assessment limits can result in higher tax bills for the very property owners the limit aims to protect from increases. Studies of existing or proposed assessment limits in Illinois (Cook County), Minnesota, and Idaho show property owners covered by assessment limits often pay higher bills under these limits if their rate of property appreciation is relatively low. The July 2007 issue of the Lincoln Institute of Land Policy magazine *Land Lines*, available for free download, discusses these unintended consequences in more detail in an article by Richard F. Dye and Daniel P. McMillen entitled, "[Surprise: An Unintended Consequence.](#)"

5. Assessed values which reflect tax benefits from an earlier residence

Acquisition value based assessment systems result in a lock-in effect whereby property owners have no incentive to move because transfer of property triggers reassessment at market value. Some states have enacted "portability" which allows property owners to "port" their tax reductions to a new property. Although the aim is to address lock-in effect, the result is an assessed value for the new home that does not reflect that home's market value.