

## Police Pension Millage Increase FAQs

### WHAT IS MILLAGE?

Millage is the amount of taxes levied by the city on residents' property. One **mill** is equal to \$1 per each \$1,000 of the **assessed** value of real and personal property. Arkansas state law sets assessed value at one-fifth (20%) of the appraised market value.

EXAMPLE: If you live in a \$200,000 home, your home's assessed value would be approximately \$40,000. You would pay \$40 per one mill per year.

### WHO SETS, LEVIES AND COLLECTS PROPERTY TAXES?

1. Benton County determines the assessed value of property as of January 1 each year.
2. As required by state law, each year in the fall, the city sets a millage rate and submits that rate to Benton County.
3. The County then uses that rate to determine the amount of taxes owed to each taxing authority, such as a city, county and school district, for the previous year based on the earlier determined assessed value.
4. The County bills the taxpayer for the previous year's taxes (i.e. 2023 taxes are collected in 2024).

The city collects no tax funds directly.

State law allows the City Council to raise millage up to 5 mills to support the general operating fund without a vote of the population. A separate millage supports police and firefighter pensions. **Voters must approve increases in that millage** and that money collected can only be spent toward pension funds. State law caps millage for pensions at 1 mill each for police and fire, for a maximum total of 2 mills.

### WHAT IS THE CITY'S CURRENT MILLAGE RATE?

The city currently levies 4 of the 5 mills allowed plus an additional 1.5 mills toward pension funds, which was approved by voters in 2014. **Of those 1.5 mills, voters approved 1 mill for firefighter pensions and one-half mill for police pensions.**

### ON WHAT CAN THE MONEY COLLECTED WITH THIS PENSION MILLAGE BE SPENT?

Tax revenue collected as part of the separate pension fund millage can only be put toward the city's uniformed employees' pensions.

### WHO REGULATES THE CITY'S UNIFORMED EMPLOYEES' PENSION FUNDS?

Bella Vista's uniformed employees' pensions are through the State of Arkansas' program called the LOPFI Retirement System – Local Police and Fire Retirement System. This program is regulated by the state.

### **HOW MUCH DOES THE CITY PAY TOWARD PENSION FUNDS FOR ITS UNIFORMED POLICE OFFICERS?**

In 2024, the city will pay about 18.6% of each uniformed police officer's pay rate per pay period. This is mandated by the state.

The state also mandates funds an employee must contribute to his or her own pension per pay period. In July 2023, this rate increased to 9.5%.

### **WHAT WILL THE POLICE PENSION PLANS COST THE CITY IN 2024?**

It is estimated the cost of police pension fund contribution will be **\$600,000** in 2024.

### **HOW MUCH REVENUE WILL ONE-HALF MILL ALLOCATED TO PD PENSIONS BRING IN?**

It is estimated that one-half mill will bring in a revenue of **\$314,000** in 2024.

### **WHAT IS THE BENEFIT OF RESERVING PROPERTY TAXES FOR MANDATORY PENSION PLAN FUNDING?**

Collecting these funds from a millage provides guaranteed funding for our uniformed officers' pension plans, to which we are required by law to contribute.

### **WHAT WILL THIS INCREASE COST THE AVERAGE RESIDENT PER YEAR?**

It is estimated the increase of one-half mill will cost the average resident about \$20 per year.

### **WHEN DO I NEED TO VOTE FOR OR AGAINST THIS ISSUE?**

This issue will appear on the ballot during the 2024 Primary Election on Tuesday, March 5. Early voting for this election begins Tuesday, Feb. 20. For voting dates and locations, visit the Benton County voting website at <https://vote.bentoncountyar.gov/>.

### **WHERE CAN I ACCESS A SAMPLE BALLOT TO READ THIS ISSUE AND OTHER ISSUES I WILL BE ASKED TO VOTE ON?**

Benton County residents can access sample ballots when they are prepared at Benton County's voting website here: <https://vote.bentoncountyar.gov/>. Sample ballots are found under the candidate listing tab. If you are registered to vote in Benton County, enter your first and last name and your date of birth then choose Look Up.