

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4

# A Bill

SENATE BILL 756

5 By: Senators Hester, B. Pierce, J. Hendren, Files  
6 By: Representative Bragg  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE PROPERTY TAX LAWS CONCERNING OFF-  
10 PREMISES ADVERTISING SIGNS; TO PROVIDE A VALUATION  
11 METHOD FOR DETERMINING THE MARKET VALUE OF OFF-  
12 PREMISES ADVERTISING SIGNS; TO PREVENT ADMINISTRATIVE  
13 AND REGULATORY TAX INCREASES; TO RESERVE WITHIN DULY  
14 ELECTED LEGISLATIVE BODIES THE RIGHT AND POWER TO  
15 ESTABLISH AND MODIFY TAX RATES; AND FOR OTHER  
16 PURPOSES.  
17  
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## Subtitle

19 TO PROVIDE A VALUATION METHOD FOR  
20 DETERMINING THE MARKET VALUE OF OFF-  
21 PREMISES ADVERTISING SIGNS; TO PREVENT  
22 ADMINISTRATIVE TAX INCREASES; AND TO  
23 RESERVE WITHIN LEGISLATIVE BODIES THE  
24 POWER TO SET TAX RATES.  
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28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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30 SECTION 1. Arkansas Code § 26-3-302 is amended to read as follows:  
31 26-3-302. Intangible personalty.

32 (a) All intangible personal property in this state ~~shall be~~ is exempt  
33 from all ad valorem tax levies of counties, cities, and school districts in  
34 the state.

35 (b) Intangible personal property includes without limitation a permit  
36 or license required to place, operate, or maintain at a specific location one



1 (1) or more structures or fixtures and the value associated with the permit  
2 or license to place, operate, or maintain at a specific location the  
3 structures or fixtures.

4 ~~(b)~~ (c) The exemption provided in this section ~~shall be applicable~~  
5 applies with respect to the assessment and taxation of intangible personal  
6 property on and after January 1, 1976, and ~~no~~ ad valorem taxes shall not be  
7 assessed or collected on ~~such~~ intangible personal property for any period  
8 after January 1, 1976.

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10 SECTION 2. Arkansas Code § 26-26-1202, concerning valuation procedures  
11 for purposes of property taxes, is amended to add an additional subsection to  
12 read as follows:

13 (i)(1)(A) The market value of an off-premises advertising sign shall  
14 be determined using the cost approach to avoid the inclusion of exempt  
15 intangible personal property in the valuation.

16 (B) The market value of an off-premises advertising sign  
17 shall not be determined using the income approach or the sales comparison  
18 approach.

19 (2) An adjustment shall not be made for the traffic count or  
20 other factors relating to the location of an off-premises advertising sign in  
21 determining the market value of an off-premises advertising sign.

22 (3)(A) The depreciation period used in determining the market  
23 value of an off-premises advertising sign shall not exceed twenty (20) years  
24 for a static off-premises advertising sign and seven (7) years for a digital  
25 off-premises advertising sign.

26 (B) For purposes of depreciation, the residual value of an  
27 off-premises advertising sign shall not exceed twenty percent (20%) of the  
28 cost of the off-premises advertising sign.

29 (C)(i) To promote uniform taxation of off-premises  
30 advertising signs, straight-line depreciation shall be used in determining  
31 the market value of an off-premises advertising sign.

32 (ii) The effective age of an off-premises  
33 advertising sign shall not be used for purposes of depreciation.

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35 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective  
36 for assessment years beginning on or after January 1, 2015.**APPROVED:**

