

Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.

1 State of Arkansas
2 84th General Assembly
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HJR 1022

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5 By: Representative Mahony
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8 **HOUSE JOINT RESOLUTION**

9 PROPOSING AN AMENDMENT TO THE ARKANSAS
10 CONSTITUTION TO AMEND ARTICLE 16, § 14 OF THE
11 ARKANSAS CONSTITUTION REGARDING THE ASSESSED
12 VALUE OF PROPERTY AND PROPERTY TAXES.
13

14 **Subtitle**

15 PROPOSING AN AMENDMENT TO THE
16 CONSTITUTION REGARDING THE ASSESSED
17 VALUE OF PROPERTY AND PROPERTY TAXES.
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20 SECTION 1. Article 16, § 14 of the Arkansas Constitution is amended to
21 read as follows:

22 Article 16, § 14. Procedure for adjustment of taxes after reappraisal
23 or reassessment of property.

24 ~~(a) Whenever a countywide reappraisal or reassessment of property~~
25 ~~subject to ad valorem taxes made in accordance with procedures established by~~
26 ~~the General Assembly shall result in an increase in the aggregate value of~~
27 ~~taxable real and personal property in any taxing unit in this State of ten~~
28 ~~percent (10%) or more over the previous year the rate of city or town,~~
29 ~~county, school district, and community college district taxes levied against~~
30 ~~the taxable real and personal property of each such taxing unit shall, upon~~
31 ~~completion of such reappraisal or reassessment, be adjusted or rolled back,~~
32 ~~by the governing body of the taxing unit, for the year for which levied as~~
33 ~~provided below. The General Assembly shall, by law, establish the procedures~~
34 ~~to be followed by a county in making a countywide reappraisal or reassessment~~
35 ~~of property which will, upon completion, authorize the adjustment or rollback~~
36 ~~of property tax rates or millage, as authorized hereinabove. The adjustment~~



1 ~~or rollback of tax rates or millage for the "base year" as hereinafter~~
2 ~~defined shall be designed to assure that each taxing unit will receive an~~
3 ~~amount of tax revenue from each tax source no greater than ten percent (10%)~~
4 ~~above the revenues received during the previous year from each such tax~~
5 ~~source, adjusted for any lawful tax or millage rate increase or reduction~~
6 ~~imposed in the manner provided by law for the year for which the tax~~
7 ~~adjustment or rollback is to be made, and after making the following~~
8 ~~additional adjustments:~~

9 ~~(i) By excluding from such calculation the assessed value~~
10 ~~of, and taxes derived from, tangible personal property assessed in the taxing~~
11 ~~unit, and all real and tangible personal property of public utilities and~~
12 ~~regulated carriers assessed in the taxing unit, and~~

13 ~~(ii) By computing the adjusted or rollback millage rates~~
14 ~~on the basis of the reassessed taxable real property for the base year that~~
15 ~~will produce an amount of revenue no greater than ten percent (10%) above the~~
16 ~~revenues produced from the assessed value of real property in the taxing unit~~
17 ~~(after making the aforementioned adjustments for personal properties and~~
18 ~~properties of public utilities and regulated carriers noted above) from~~
19 ~~millage rates in effect in the taxing unit during the base year in which the~~
20 ~~millage adjustment or rollback is to be calculated. Provided, further, that~~
21 ~~in calculating the amount of adjusted or rollback millage necessary to~~
22 ~~produce tax revenues no greater than ten percent (10%) above the revenues~~
23 ~~received during the previous year, the governing body shall separate from the~~
24 ~~assessed value of taxable real property of the taxing unit, newly discovered~~
25 ~~real property and new construction and improvements to real property, after~~
26 ~~making the adjustments for personal property or property of public utilities~~
27 ~~and regulated carriers noted above, and shall compute the millage necessary~~
28 ~~to produce an amount of revenues equal to, but no greater than the base year~~
29 ~~revenues of the taxing unit from each millage source. Such taxing unit may~~
30 ~~elect either to obtain an increase in revenues equal to the amount of~~
31 ~~revenues that the computed or adjusted rollback millage will produce from~~
32 ~~newly discovered real property and new construction and improvements to real~~
33 ~~property, or if the same be less than ten percent (10%), the governing body~~
34 ~~of the taxing unit may recompute the millage rate to be charged to produce an~~
35 ~~amount no greater than ten percent (10%) above the revenues collected for~~
36 ~~taxable real property during the base year.~~

1
 2 ~~Provided, however, that the amount of revenues to be derived from~~
 3 ~~taxable personal property assessed in the taxing unit for the base year,~~
 4 ~~other than personal property taxes to be paid by public utilities and~~
 5 ~~regulated carriers in the manner provided hereinabove, shall be computed at~~
 6 ~~the millage necessary to produce the same dollar amount of revenues derived~~
 7 ~~during the current year in which the base year adjustment or rollback of~~
 8 ~~millage is computed, and the millage necessary to produce the amount of~~
 9 ~~revenues received from personal property taxes received by the taxing unit,~~
 10 ~~for the base year shall be reduced annually as the assessed value of taxable~~
 11 ~~personal property increases until the amount of revenues from personal~~
 12 ~~property taxes, computed on the basis of the current year millage rates will~~
 13 ~~produce an amount of revenues from taxable personal property equal to or~~
 14 ~~greater than received during the base year, and thereafter the millage rates~~
 15 ~~for computing personal property taxes shall be the millage rates levied for~~
 16 ~~the current year.~~

17
 18 ~~Provided, however, that the taxes to be paid by public utilities and~~
 19 ~~regulated carriers in the respective taxing units of the several counties of~~
 20 ~~this State during the first five (5) calendar years in which taxes are levied~~
 21 ~~on the taxable real and personal property as reassessed and equalized in each~~
 22 ~~of the respective counties as a part of a statewide reappraisal program,~~
 23 ~~shall be the greater of the following:~~

24 ~~(1) The amount of taxes paid on property owned by such public~~
 25 ~~utilities or regulated carriers in or assigned to such taxing unit, less~~
 26 ~~adjustments for properties disposed of or reductions in the assessed~~
 27 ~~valuation of such properties in the base year as defined below, or~~

28 ~~(2) The amount of taxes due on the assessed valuation of taxable~~
 29 ~~real and tangible personal property belonging to the public utilities or~~
 30 ~~regulated carriers located in or assigned to the taxing unit in each county~~
 31 ~~at millage rates levied for the current year.~~

32
 33 ~~As used herein, the term "base year" shall mean the year in which a~~
 34 ~~county completes reassessment and equalization of taxable real and personal~~
 35 ~~property as a part of a statewide reappraisal program, and extends the~~
 36 ~~adjusted or rolled back millage rates for the first time, as provided in~~

1 subsection (a) of this Section, for the respective taxing units in such
2 county for collection in the following year.

3 (i) In the event the amount of taxes paid the taxing unit
4 in a county in the base year, as defined herein, is greater than the taxes
5 due to be paid to such taxing unit for the current year of any year of the
6 second (2nd) period of five (5) years after the base year, the difference
7 between the base year taxes and the current year taxes for any year of such
8 five (5) year period shall be adjusted as follows:

9		
10	Current year of	Taxes shall be current year taxes
11	second period of (5)	to which shall be added the
12	years	following percentage of the
13		difference between the current
14		year taxes and the base year taxes
15		(if greater than current year taxes)
16	1st year	80% of difference
17	2nd year	60% of difference
18	3rd year	40% of difference
19	4th year	20% of difference
20	5th year and thereafter	Current years taxes only.

21
22 (ii) If the current year taxes of a public utility or
23 regulated carrier equal or exceed the base years taxes due a taxing unit
24 during any year of the first ten (10) years after the base year, the amount
25 of taxes to be paid to such taxing unit shall thereafter be the current years
26 taxes and the adjustment authorized herein shall no longer apply in computing
27 taxes to be paid to such taxing unit.

28
29 Provided, that in the event the aforementioned requirement for payment
30 of taxes by public utilities and regulated carriers, or any class of
31 utilities or carriers for the ten (10) year period noted above, shall be held
32 by court decision to be contrary to the constitution or statutes of this
33 State or of the Federal Government, the General Assembly may provide for
34 other utilities or classes of carriers to receive the same treatment provided
35 or required under the court order, if deemed necessary to promote equity
36 between similar utilities or classes of carriers.

1 ~~(b) The General Assembly shall, by law, provide for procedures to be~~
2 ~~followed with respect to adjusting ad valorem taxes or millage pledged for~~
3 ~~bonded indebtedness purposes, to assure that the adjusted or rolled back rate~~
4 ~~of tax or millage levied for bonded indebtedness purposes will, at all times,~~
5 ~~provide a level of income sufficient to meet the current requirements of all~~
6 ~~principal, interest, paying agent fees, reserves, and other requirements of~~
7 ~~the bond indenture.~~

8 (a) If, as a result of a countywide reappraisal or reassessment of
9 property subject to ad valorem taxes, the total assessed value of real and
10 personal property in the taxing unit increases by five percent (5%) or more,
11 excluding increases resulting from newly discovered real property or new
12 construction and improvements to real property, the millage rate shall be
13 reduced to limit revenue increases to no more than five percent (5%) above
14 the previous year, except for those increases resulting from newly discovered
15 or new construction and improvements to real property.

16 (b) The General Assembly shall enact laws providing for the
17 administration and enforcement of this section.

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19 SECTION 2. This amendment shall become effective January 1, 2005.
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