

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

*As Engrossed: S3/18/03*

# A Bill

SENATE BILL 560

5 By: Senators Wooldridge, Miller, Glover  
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## For An Act To Be Entitled

9 AN ACT TO CLARIFY THE PROHIBITED CONDUCT,  
10 PENALTIES, AND TIME LIMITATIONS REGARDING THE  
11 HOMESTEAD PROPERTY TAX CREDIT; AND FOR OTHER  
12 PURPOSES.  
13

### Subtitle

15 TO CLARIFY THE PROHIBITED CONDUCT,  
16 PENALTIES, AND TIME LIMITATIONS  
17 REGARDING THE HOMESTEAD PROPERTY TAX  
18 CREDIT.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 26-26-1119 is amended to read as follows:  
24 26-26-1119. Penalties Prohibited conduct – Penalties – Time  
25 limitation.

26 (a)(1) No property owner shall claim more than one (1) homestead  
27 property tax credit for each year.

28 (2)(A) If the county assessor determines that a property owner  
29 ~~claims~~ has claimed more than one (1) homestead property tax credit in a year,  
30 in addition to repayment of the homestead property tax credit, the designated  
31 preparer of tax books shall extend a penalty of ~~ten percent (10%)~~ one hundred  
32 percent (100%) of the amount of the unlawfully claimed homestead property tax  
33 credit ~~claimed shall be assessed and collected from the property owner.~~

34 (B) To repay the unlawfully claimed homestead property tax  
35 credit and the penalty, the property owner shall pay the entire amount at the  
36 time of payment of the property owner's taxes or shall elect to not claim a



1 homestead property tax credit on any property in the state for two (2) years  
2 for each year that the credit was claimed unlawfully.

3 (C) In order to qualify for the homestead property tax  
4 credit after repayment of an unlawfully claimed homestead property tax credit  
5 and payment of a penalty, the property owner shall register with the assessor  
6 according to § 26-26-1118(c)(2)(A).

7 (b)(1) Every property owner shall report to the county assessor a  
8 change in eligibility to claim a property tax credit or a change in use of  
9 the property prior to January 1 of the year following the change.

10 (2) ~~Upon a determination by the county assessor~~ If the county  
11 assessor determines that a property owner has failed to report a change in  
12 the eligibility to claim a property tax credit or has failed to register a  
13 required change in the use of the property, the ~~county assessor~~ designated  
14 preparer of tax books shall ~~assess~~ extend, in addition to repayment of the  
15 unlawfully claimed homestead property tax credit, the correct property tax  
16 due along with a penalty of ~~ten percent (10%)~~ one hundred percent (100%) of  
17 the amount of the unlawfully claimed homestead property tax credit.

18 (3) To repay the unlawfully claimed homestead property tax  
19 credit and the penalty, the property owner shall pay the entire amount at the  
20 time of payment of the property owner's taxes or shall elect to not claim a  
21 homestead property tax credit on any property in the state for two (2) years  
22 for each year that the credit was claimed unlawfully.

23 (c)(1) Penalties assessed under this section shall bind the real  
24 property and shall be entitled to preference over all judgments, executions,  
25 encumbrances, or liens, whenever created, until the penalties are repaid.

26 (2) Penalties collected under this section shall be remitted to  
27 the county treasurer to be credited to the county general fund.

28 (d)(1) The debt owed for the repayment of an unlawfully claimed  
29 homestead property tax credit assessed under this section shall bind the real  
30 property and shall be entitled to preference over all judgments, executions,  
31 encumbrances, or liens, whenever created, until it is repaid.

32 (2) Property tax collected Homestead property tax credits repaid  
33 under this section from a person who was not entitled to claim a credit shall  
34 be remitted to the Treasurer of State for deposit to the Property Tax Relief  
35 Trust Fund.

36 (e)(1) The property owner may appeal to the county court the

1 determination by a county assessor that:

2 (A) The property owner shall repay an unlawfully claimed  
3 homestead property tax credit;

4 (B) The property owner shall pay penalties; or

5 (C) Any other determination that the property owner has  
6 violated this section.

7 (2) To appeal the determination by a county assessor, the  
8 property owner must file a petition with the county court within thirty (30)  
9 days from the date of the determination by the county assessor.

10 (3) After the petition is filed, the county court shall set a  
11 hearing within thirty (30) days after the filing of the petition.

12 (4) At the hearing, the property owner and county assessor shall  
13 present evidence to support their positions.

14 (5) The county court shall provide the property owner, county  
15 assessor, and county clerk with its decision in writing within ten (10)  
16 business days after the hearing.

17 (6) The property owner or county assessor may appeal the county  
18 court's decision to circuit court within thirty (30) days after the date of  
19 the decision.

20 (f)(1) No penalties under this section shall be imposed against a  
21 property owner for unlawfully claimed property tax credits after the  
22 expiration of three (3) years from the date a property tax credit was  
23 claimed.

24 (2) No repayment requirement under this section shall be imposed  
25 against a property owner for unlawfully claimed property tax credits after  
26 the expiration of three (3) years from the date a property tax credit was  
27 claimed.

28 (3) This section does not alter the property owner's deadline to  
29 claim the homestead property tax credit as provided in § 26-26-1118(c)(3).

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31 /s/ Wooldridge  
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