

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 H3/25/03

A Bill

SENATE BILL 560

5 By: Senators Wooldridge, Miller, Glover
6 By: Representative R. Smith
7

For An Act To Be Entitled

10 AN ACT TO CLARIFY THE PROHIBITED CONDUCT,
11 PENALTIES, AND TIME LIMITATIONS REGARDING THE
12 HOMESTEAD PROPERTY TAX CREDIT; AND FOR OTHER
13 PURPOSES.
14

Subtitle

16 TO CLARIFY THE PROHIBITED CONDUCT,
17 PENALTIES, AND TIME LIMITATIONS
18 REGARDING THE HOMESTEAD PROPERTY TAX
19 CREDIT.
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 26-26-1119 is amended to read as follows:

25 26-26-1119. ~~Penalties~~ Prohibited conduct – Penalties – Time
26 limitation.

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

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

35 (B)(i) If the property owner has unlawfully claimed a
36 homestead property tax credit in a county other than the county where his or



1 her lawfully claimed homestead property tax credit was claimed, then the
 2 property owner shall pay the entire amount of the unlawfully claimed
 3 homestead property tax credit and the penalty at the time of payment of the
 4 property owner's taxes.

5 (ii) If the property owner has unlawfully claimed a
 6 homestead property tax credit in the same county that he or she lawfully
 7 claimed a homestead property tax credit, then the property owner shall elect
 8 to either:

9 (a) Pay the entire amount of an unlawfully
 10 claimed homestead property tax credit and the penalty at the time of payment
 11 of the property owner's taxes; or

12 (b) Not claim a homestead property tax credit
 13 on any property in the county, or on any other property in the state, for two
 14 (2) years for each year that the credit was claimed unlawfully.

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

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

22 ~~Upon a determination by the county assessor~~ If the county
 23 assessor determines that a property owner has failed to report a change in
 24 the eligibility to claim a property tax credit or has failed to register a
 25 required change in the use of the property, the ~~county assessor~~ designated
 26 preparer of tax books shall ~~assess~~ extend, in addition to repayment of the
 27 unlawfully claimed homestead property tax credit, the correct property tax
 28 due along with a penalty of ~~ten percent (10%)~~ one hundred percent (100%) of
 29 the amount of the unlawfully claimed homestead property tax credit.

30 (3)(A) If the property owner has unlawfully claimed a homestead
 31 property tax credit in a county other than the county where his or her
 32 lawfully claimed homestead property tax credit was claimed, then the property
 33 owner shall pay the entire amount of the unlawfully claimed homestead
 34 property tax credit and the penalty at the time of payment of the property
 35 owner's taxes.

36 (B) If the property owner has unlawfully claimed a

1 homestead property tax credit in the same county that he or she lawfully
2 claimed a homestead property tax credit, then the property owner shall elect
3 to either:

4 (i) Pay the entire amount of an unlawfully claimed
5 homestead property tax credit and the penalty at the time of payment of the
6 property owner's taxes; or

7 (ii) Not claim a homestead property tax credit on
8 any property in the county, or on any other property in the state, for two
9 (2) years for each year that the credit was claimed unlawfully.

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

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

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

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

23 (e)(1) The property owner may appeal to the county court the
24 determination by a county assessor that:

25 (A) The property owner shall repay an unlawfully claimed
26 homestead property tax credit;

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

28 (C) Any other determination that the property owner has
29 violated this section.

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

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

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

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

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

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

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

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

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18 */s/ Wooldridge, et al*
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