

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

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

SJR 10

4
5 By: Senator Bisbee

SENATE JOINT RESOLUTION

9 PROPOSING AN AMENDMENT TO ARTICLE 16, SECTION 14
10 OF THE ARKANSAS CONSTITUTION PERTAINING TO THE
11 TREATMENT OF NEWLY DISCOVERED REAL PROPERTY AND
12 NEW CONSTRUCTION AND IMPROVEMENTS TO REAL
13 PROPERTY WHEN CALCULATING MILLAGE ROLLSBACKS UNDER
14 AMENDMENT 59.

Subtitle

17 PROPOSING AN AMENDMENT TO THE
18 CONSTITUTION PERTAINING TO THE TREATMENT
19 OF NEWLY DISCOVERED REAL PROPERTY AND
20 NEW CONSTRUCTION AND IMPROVEMENTS TO
21 REAL PROPERTY WHEN CALCULATING MILLAGE
22 ROLLSBACKS UNDER AMENDMENT 59.

25 BE IT RESOLVED BY THE SENATE OF THE EIGHTY-FOURTH GENERAL ASSEMBLY OF THE
26 STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL
27 MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

29 That the following is proposed as an amendment to the Constitution of
30 the State of Arkansas, and upon being submitted to the electors of the state
31 for approval or rejection at the next general election for Senators and
32 Representatives, if a majority of the electors voting thereon at the
33 election, adopt the amendment, the amendment shall become a part of the
34 Constitution of the State of Arkansas, to wit:

36 SECTION 1. Article 16, Section 14 of the Constitution of the State of



1 Arkansas is amended to read as follows:

2 § 14. Procedure for adjustment of taxes after reappraisal or
 3 reassessment of property.

4 (a) Whenever a countywide reappraisal or reassessment of property
 5 subject to ad valorem taxes made in accordance with procedures established by
 6 the General Assembly shall result in an increase in the aggregate value of
 7 taxable real and personal property in any taxing unit in this State of ten
 8 percent (10%) or more over the previous year the rate of city or town,
 9 county, school district, and community college district taxes levied against
 10 the taxable real and personal property of each such taxing unit shall, upon
 11 completion of such reappraisal or reassessment, be adjusted or rolled back,
 12 by the governing body of the taxing unit, for the year for which levied as
 13 provided below. The General Assembly shall, by law, establish the procedures
 14 to be followed by a county in making a countywide reappraisal or reassessment
 15 of property which will, upon completion, authorize the adjustment or rollback
 16 of property tax rates or millage, as authorized hereinabove. The adjustment
 17 or rollback of tax rates or millage for the "base year" as hereinafter
 18 defined shall be designed to assure that each taxing unit will receive an
 19 amount of tax revenue from each tax source no greater than ten percent (10%)
 20 above the revenues received during the previous year from each such tax
 21 source, adjusted for any lawful tax or millage rate increase or reduction
 22 imposed in the manner provided by law for the year for which the tax
 23 adjustment or rollback is to be made, and after making the following
 24 additional adjustments:

25 (i) By excluding from such calculation the assessed value of,
 26 and taxes derived from, tangible personal property assessed in the taxing
 27 unit, and all real and tangible personal property of public utilities and
 28 regulated carriers assessed in the taxing unit, and newly discovered real
 29 property and new construction and improvements to real property, and

30 (ii) By computing the adjusted or rollback millage rates on the
 31 basis of the reassessed taxable real property for the base year that will
 32 produce an amount of revenue no greater than ten percent (10%) above the
 33 revenues produced from the assessed value of real property in the taxing unit
 34 (after making the aforementioned adjustments for personal properties and
 35 properties of public utilities and regulated carriers, and newly discovered
 36 real property and new construction and improvements to real property noted

1 above) from millage rates in effect in the taxing unit during the base year
 2 in which the millage adjustment or rollback is to be calculated. Provided,
 3 further, that in calculating the amount of adjusted or rollback millage
 4 necessary to produce tax revenues no greater than ten percent (10%) above the
 5 revenues received during the previous year on the reassessed real property,
 6 the governing body shall separate from the assessed value of taxable real
 7 property of the taxing unit, newly-discovered real property and new
 8 construction and improvements to real property, after making the adjustments
 9 for personal property or property of public utilities and regulated carriers
 10 noted above, and shall compute the millage necessary to produce an amount of
 11 revenues equal to, one hundred and ten percent (110%) of the base year
 12 revenues of the taxing unit from each millage source. The new millage would
 13 be the greater of this calculated millage or the current millage for each tax
 14 source whichever is greater. but no greater than the base year revenues of
 15 the taxing unit from each millage source. Such taxing unit may elect either
 16 to obtain an increase in revenues equal to the amount of revenues that the
 17 computed or adjusted rollback millage will produce from newly discovered real
 18 property and new construction and improvements to real property, or if the
 19 same be less than ten percent (10%), the governing body of the taxing unit
 20 may recompute the millage rate to be charged to produce an amount no greater
 21 than ten percent (10%) above the revenues collected for taxable real property
 22 during the base year.

23 Provided, however, that the amount of revenues to be derived from
 24 taxable personal property assessed in the taxing unit for the base year,
 25 other than personal property taxes to be paid by public utilities and
 26 regulated carriers in the manner provided hereinabove, shall be computed at
 27 the millage necessary to produce the same dollar amount of revenues derived
 28 during the current year in which the base year adjustment or rollback of
 29 millage is computed, and the millage necessary to produce the amount of
 30 revenues received from personal property taxes received by the taxing unit,
 31 for the base year shall be reduced annually as the assessed value of taxable
 32 personal property increases until the amount of revenues from personal
 33 property taxes, computed on the basis of the current year millage rates will
 34 produce an amount of revenues from taxable personal property equal to or
 35 greater than received during the base year, and thereafter the millage rates
 36 for computing personal property taxes shall be the millage rates levied for

1 the current year.

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

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

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

16 As used herein, the term "base year" shall mean the year in which a
17 county completes reassessment and equalization of taxable real and personal
18 property as a part of a statewide reappraisal program, and extends the
19 adjusted or rolled back millage rates for the first time, as provided in
20 subsection (a) of this Section, for the respective taxing units in such
21 county for collection in the following year.

22 (i) In the event the amount of taxes paid the taxing unit in a
23 county in the base year, as defined herein, is greater than the taxes due to
24 be paid to such taxing unit for the current year of any year of the second
25 (2nd) period of five (5) years after the base year, the difference between
26 the base year taxes and the current year taxes for any year of such five (5)
27 year period shall be adjusted as follows:

28		
29	Current year of	Taxes shall be current year taxes
30	second period of (5)	to which shall be added the
31	years	following percentage of the
32		difference between the current
33		year taxes and the base year taxes
34		(if greater than current year taxes)
35	1st year	80% of difference
36	2nd year	60% of difference

1 3rd year 40% of difference
 2 4th year 20% of difference
 3 5th year and thereafter Current years taxes only.

4 (ii) If the current year taxes of a public utility or regulated
 5 carrier equal or exceed the base years taxes due a taxing unit during any
 6 year of the first ten (10) years after the base year, the amount of taxes to
 7 be paid to such taxing unit shall thereafter be the current years taxes and
 8 the adjustment authorized herein shall no longer apply in computing taxes to
 9 be paid to such taxing unit.

10 Provided, that in the event the aforementioned requirement for payment
 11 of taxes by public utilities and regulated carriers, or any class of
 12 utilities or carriers for the ten (10) year period noted above, shall be held
 13 by court decision to be contrary to the constitution or statutes of this
 14 State or of the Federal Government, the General Assembly may provide for
 15 other utilities or classes of carriers to receive the same treatment provided
 16 or required under the court order, if deemed necessary to promote equity
 17 between similar utilities or classes of carriers.

18 (b) The General Assembly shall, by law, provide for procedures to be
 19 followed with respect to adjusting ad valorem taxes or millage pledged for
 20 bonded indebtedness purposes, to assure that the adjusted or rolled-back rate
 21 of tax or millage levied for bonded indebtedness purposes will, at all times,
 22 provide a level of income sufficient to meet the current requirements of all
 23 principal, interest, paying agent fees, reserves, and other requirements of
 24 the bond indenture.

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SECTION 2. This amendment becomes effective on January 1, 2005.