

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

As Engrossed: S4/7/03

SJR 11

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5 By: Senator Bisbee
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8 **SENATE JOINT RESOLUTION**

9 PROPOSING AN AMENDMENT TO AMENDMENT 79 OF THE
10 ARKANSAS CONSTITUTION TO REQUIRE THE ASSESSMENT
11 VALUE OF A HOMESTEAD TO BE ADJUSTED, IF THE
12 HOMESTEAD IS SOLD, ACCORDING TO THE ASSESSED
13 VALUE OF THE MARKET VALUE OF THE HOMESTEAD AT THE
14 *TIME OF THE SALE; TO AMEND AMENDMENT 79 TO*
15 *PROVIDE THAT THE ASSESSED VALUE LIMITATIONS ARE*
16 *NOT APPLICABLE IF THE GENERAL ASSEMBLY INCREASES*
17 *THE ASSESSMENT LEVEL.*

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19 **Subtitle**

20 TO REQUIRE THE ASSESSMENT VALUE OF A
21 HOMESTEAD TO BE ADJUSTED, IF THE
22 HOMESTEAD IS SOLD, ACCORDING TO THE
23 ASSESSED VALUE OF THE MARKET VALUE OF
24 THE HOMESTEAD AT THE TIME OF THE SALE.
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26 BE IT RESOLVED BY THE SENATE OF THE EIGHTY-FOURTH GENERAL ASSEMBLY OF THE
27 STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL
28 MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:
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30 That the following is proposed as an amendment to the Constitution of
31 the State of Arkansas, and upon being submitted to the electors of the state
32 for approval or rejection at the next general election for Senators and
33 Representatives, if a majority of the electors voting thereon at the
34 election, adopt the amendment, the amendment shall become a part of the
35 Constitution of the State of Arkansas, to wit:
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1 SECTION 1. Subsections (b), (c), and (d) of Section 1 of Amendment 79
2 of the Constitution of the State of Arkansas are amended to read as follows:

3 (b)(1) If the parcel is not a taxpayer's homestead used as the
4 taxpayer's principal place of residence, then for the first assessment
5 following reappraisal, any increase in the assessed value of the parcel shall
6 be limited to not more than ten percent (10%) of the assessed value of the
7 parcel for the previous year. In each year thereafter the assessed value
8 shall increase by an additional ten percent (10%) of the assessed value of
9 the parcel for the year prior to the first assessment that resulted from
10 reappraisal but shall not exceed the assessed value determined by the
11 reappraisal prior to adjustment under this subsection. For utility and
12 carrier real property, any annual increase in the assessed value of the
13 parcel shall be limited to not more than ten percent (10%) of the assessed
14 value for the previous year.

15 (2) This subsection (b) does not apply to newly discovered real
16 property, new construction, or to substantial improvements to real property.

17 (3) This subsection (b) does not apply if the General Assembly
18 increases the assessment level. The assessment level is a percentage of true
19 and full market or actual value of the assessed property.

20 (c)(1) Except as provided in subsection (d), if the parcel is a
21 taxpayer's homestead used as the taxpayer's principal place of residence then
22 for the first assessment following reappraisal, any increase in the assessed
23 value of the parcel shall be limited to not more than five percent (5%) of
24 the assessed value of the parcel for the previous year. In each year
25 thereafter the assessed value shall increase by an additional five percent
26 (5%) of the assessed value of the parcel for the year prior to the first
27 assessment that resulted from reappraisal but shall not exceed the assessed
28 value determined by the reappraisal prior to adjustment under this
29 subsection.

30 (2) This subsection (c) does not apply to newly discovered real
31 property, new construction, or to substantial improvements to real property.

32 (3) This subsection (c) does not apply if the General Assembly
33 increases the assessment level. The assessment level is a percentage of true
34 and full market or actual value of the assessed property.

35 (4) Upon the sale of a homestead assessed under this subsection (c),
36 the assessed value shall be adjusted according to the assessed value of the

1 market value of the homestead at the time of sale.

2 (d)(1)(A) A homestead used as the taxpayer's principal place of
3 residence purchased or constructed on or after January 1, 2001 by a disabled
4 person or by a person sixty-five (65) years of age or older shall be assessed
5 thereafter based on the lower of the assessed value as of the date of
6 purchase or construction or a later assessed value.

7 (B) When a person becomes disabled or reaches sixty-five
8 (65) years of age on or after January 1, 2001, that person's homestead used
9 as the taxpayer's principal place of residence shall thereafter be assessed
10 based on the lower of the assessed value on the person's sixty-fifth
11 birthday, on the date the person becomes disabled or a later assessed value.

12 (C) If a person is disabled or is at least sixty-five (65)
13 years of age and owns a homestead used as the taxpayer's principal place of
14 residence on January 1, 2001, the homestead shall be assessed based on the
15 lower of the assessed value on January 1, 2001 or a later assessed value.

16 (2) Residing in a nursing home shall not disqualify a person
17 from the benefits of this subsection (d).

18 (3) In instances of joint ownership, if one of the owners
19 qualifies under this subsection (d), all owners shall receive the benefits of
20 this amendment.

21 (4) This subsection (d) does not apply to substantial
22 improvements to real property.

23 (5) For real property that is subject to Section 2 of this
24 Amendment, in lieu of January 1, 2001, the applicable date for this
25 subsection (d) shall be January 1 of the year following the completion of the
26 adjustments to assessed value required by Section 2.

27 (6) Upon the sale of a homestead that has had its assessed value
28 limited under this subsection (d), the assessed value shall be adjusted
29 according to the assessed value of the market value of the homestead at the
30 time of sale.

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32 SECTION 2. Section 2 of Amendment 79 of the Constitution of the State
33 of Arkansas, is amended to read as follows:

34 § 2.

35 (a)(1) Section 1 of this Amendment shall not be applicable to a county
36 in which there has been no county-wide reappraisal, as defined by law, and

1 resulting assessed value of property between January 1, 1986 and December 31,
2 2000. Real property in such a county shall be adjusted according to the
3 provisions of this section.

4 (2) Upon the completion of the adjustments to assessed value
5 required by this section each taxpayer of that county shall be entitled to
6 apply the provision of Section 1 of this Amendment to the real property owned
7 by them.

8 (b) The county assessor, or other official or officials designated by
9 law, shall compare the assessed value of each parcel of real property to the
10 prior year's assessed value. If assessed value of the parcel increased, then
11 the assessed value of the parcel for the first assessment resulting from
12 reappraisal shall be adjusted by adding one-third (1/3) of the increase to
13 the assessed value of the parcel for the previous year. An additional one-
14 third (1/3) of the increase shall be added in each of the next two (2) years.
15 This adjustment procedure shall not apply to public utility and carrier
16 property. Public utility and carrier property shall be adjusted pursuant to
17 Section 1.

18 (c) No adjustment shall be made for newly discovered real property,
19 new construction, or to substantial improvements to real property.

20 (d) Upon the sale of a homestead that has been assessed under this
21 section, the assessed value shall be adjusted according to the assessed value
22 of the market value of the homestead at the time of sale.

23 /s/ Bisbee
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