

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

Call Item 6

# A Bill

HOUSE BILL 1165

5 By: Representative R. Smith  
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## For An Act To Be Entitled

9 AN ACT TO IMPROVE THE VALUATION PROCESS FOR  
10 AGRICULTURAL, PASTURE, AND TIMBER LAND IN ORDER  
11 TO MORE ACCURATELY REFLECT PROPERTY VALUE AND TO  
12 PRODUCE ADDITIONAL LOCAL REVENUES FOR PUBLIC  
13 SCHOOL DISTRICTS AND COUNTIES; AND FOR OTHER  
14 PURPOSES.

## Subtitle

16 AN ACT TO IMPROVE THE VALUATION PROCESS  
17 FOR AGRICULTURAL, PASTURE, AND TIMBER  
18 LAND IN ORDER TO MORE ACCURATELY REFLECT  
19 VALUE AND TO PRODUCE ADDITIONAL LOCAL  
20 REVENUES FOR PUBLIC SCHOOL DISTRICTS AND  
21 COUNTIES.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 26-26-407(e), concerning the valuation of  
28 agricultural, pasture, and timber land, is amended to read as follows:

29 (e)(1) The Assessment Coordination ~~Division of the Arkansas Public~~  
30 ~~Service Commission Department~~, in devising and developing methods of  
31 assessing and levying the ad valorem property tax on real property, shall  
32 develop and publish tables and other data which shall be used by county  
33 assessors for assessing lands qualifying under the provisions of this  
34 subchapter.

35 (2)(A) Effective for assessment years beginning January 1, 2006,  
36 the department shall annually update the valuation tables for assessing lands



1 qualifying as agricultural land, pasture land, and timber land.

2 (B) Beginning January 1, 2006, where there is a countywide  
3 reappraisal, counties shall assess agricultural land, pasture land, and  
4 timber land based upon the updated values issued for the assessment year.

5 (3)(A) Effective for assessment years beginning January 1, 2005,  
6 the department by rule shall develop appropriate formulas reflecting the  
7 productivity valuation of the land based upon income capability attributable  
8 to agricultural land, pasture land, and timber land soils.

9 (B)(i) The department shall use a discount rate of eight  
10 percent (8%) to estimate the value of agricultural land, pasture land, and  
11 timber land.

12 (ii) The department may adjust the discount rate  
13 based upon prevailing mortgage interest rates, but under no circumstances  
14 shall the department adjust the discount rate below eight percent (8%) or  
15 exceeding ten percent (10%).

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