

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

SENATE BILL 756

5 By: Senators Hester, B. Pierce, J. Hendren, Files
6 By: Representative Bragg
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE PROPERTY TAX LAWS CONCERNING OFF-
10 PREMISES ADVERTISING SIGNS; TO PROVIDE A VALUATION
11 METHOD FOR DETERMINING THE MARKET VALUE OF OFF-
12 PREMISES ADVERTISING SIGNS; TO PREVENT ADMINISTRATIVE
13 AND REGULATORY TAX INCREASES; TO RESERVE WITHIN DULY
14 ELECTED LEGISLATIVE BODIES THE RIGHT AND POWER TO
15 ESTABLISH AND MODIFY TAX RATES; AND FOR OTHER
16 PURPOSES.
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Subtitle

19 TO PROVIDE A VALUATION METHOD FOR
20 DETERMINING THE MARKET VALUE OF OFF-
21 PREMISES ADVERTISING SIGNS; TO PREVENT
22 ADMINISTRATIVE TAX INCREASES; AND TO
23 RESERVE WITHIN LEGISLATIVE BODIES THE
24 POWER TO SET TAX RATES.
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28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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30 SECTION 1. Arkansas Code § 26-3-302 is amended to read as follows:
31 26-3-302. Intangible personalty.

32 (a) All intangible personal property in this state ~~shall be~~ is exempt
33 from all ad valorem tax levies of counties, cities, and school districts in
34 the state.

35 (b) Intangible personal property includes without limitation a permit
36 or license required to place, operate, or maintain at a specific location one



1 (l) or more structures or fixtures and the value associated with the permit
2 or license to place, operate, or maintain at a specific location the
3 structures or fixtures.

4 ~~(b)~~ (c) The exemption provided in this section ~~shall be applicable~~
5 applies with respect to the assessment and taxation of intangible personal
6 property on and after January 1, 1976, and ~~no~~ ad valorem taxes shall not be
7 assessed or collected on ~~such~~ intangible personal property for any period
8 after January 1, 1976.

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10 SECTION 2. Arkansas Code § 26-26-1202, concerning valuation procedures
11 for purposes of property taxes, is amended to add an additional subsection to
12 read as follows:

13 (i)(1)(A) The market value of an off-premises advertising sign shall
14 be determined using the cost approach to avoid the inclusion of exempt
15 intangible personal property in the valuation.

16 (B) The market value of an off-premises advertising sign
17 shall not be determined using the income approach or the sales comparison
18 approach.

19 (2) An adjustment shall not be made for the traffic count or
20 other factors relating to the location of an off-premises advertising sign in
21 determining the market value of an off-premises advertising sign.

22 (3)(A) The depreciation period used in determining the market
23 value of an off-premises advertising sign shall not exceed twenty (20) years
24 for a static off-premises advertising sign and seven (7) years for a digital
25 off-premises advertising sign.

26 (B) For purposes of depreciation, the residual value of an
27 off-premises advertising sign shall not exceed twenty percent (20%) of the
28 cost of the off-premises advertising sign.

29 (C)(i) To promote uniform taxation of off-premises
30 advertising signs, straight-line depreciation shall be used in determining
31 the market value of an off-premises advertising sign.

32 (ii) The effective age of an off-premises
33 advertising sign shall not be used for purposes of depreciation.

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35 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
36 for assessment years beginning on or after January 1, 2015.