

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

As Engrossed: H3/7/19

# A Bill

HOUSE BILL 1559

5 By: Representative Jean  
6 By: Senators M. Pitsch, Maloch, Irvin  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE ASSESSMENT OF  
10 MINERAL RIGHTS FOR PURPOSES OF PROPERTY TAXES; TO  
11 REQUIRE SUBMISSION OF A DIVISION ORDER OR DECLARATION  
12 OF INTEREST TO THE COUNTY ASSESSOR; AND FOR OTHER  
13 PURPOSES.  
14  
15

### Subtitle

16 TO AMEND THE LAW CONCERNING THE  
17 ASSESSMENT OF MINERAL RIGHTS FOR PURPOSES  
18 OF PROPERTY TAXES; AND TO REQUIRE  
19 SUBMISSION OF A DIVISION ORDER OR  
20 DECLARATION OF INTEREST TO THE COUNTY  
21 ASSESSOR.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code § 26-26-1110, concerning the assessment of  
28 mineral rights for purposes of property taxes, is amended to add an  
29 additional subsection to read as follows:

30 (e)(1)(A) Except as otherwise provided in this subsection, if mineral  
31 rights are subject to a division order or declaration of interest, the  
32 division order or declaration of interest reflecting ownership interest as of  
33 January 1 of the assessment year shall be:

34 (i) In a common electronic workbook format  
35 established by the department; and

36 (ii) Submitted electronically by the distributor of



1 the proceeds derived from the sale of minerals produced from the subject  
2 ownership interest to the county assessor annually by March 31.

3 (B) A producer or operator of ten (10) or fewer producing  
4 wells is not required to submit a division order or declaration of interest  
5 in an electronic format but shall submit a division order or declaration of  
6 interest reflecting ownership interest that is in substantial compliance with  
7 the format established by the department under subdivision (e)(1)(A) of this  
8 section.

9 (2)(A) A county assessor shall assess a penalty on a producer or  
10 operator equal to ten percent (10%) of the property taxes due on the mineral  
11 interests contained in a division order or declaration of interest that was  
12 not submitted as required under this subsection by April 15.

13 (B) A penalty assessed under this section shall be:

14 (i) Collected by the county collector in the same  
15 manner as other penalties related to property taxes; and

16 (ii) Paid into a late assessment fee fund  
17 established on the books of the county treasurer for the county assessor.

18 (3) A division order or declaration of interest submitted to a  
19 county assessor under this subsection is exempt from the Freedom of  
20 Information Act of 1967, § 25-19-101 et seq.

21 (4) A producer or operator that pays one hundred percent (100%)  
22 of the property taxes due on assessed mineral interests:

23 (A) Is not subject to the requirements of subdivision  
24 (e)(1) of this section; and

25 (B) Shall provide written notice of the producer's or  
26 operator's intent to submit a division order or declaration of interest under  
27 subdivision (e)(1) of this section that applies to the assessed mineral  
28 interests at least six (6) months before the division order or declaration of  
29 interest is submitted under subdivision (e)(1) of this section.

30  
31 SECTION 2. EFFECTIVE DATE. This act is effective for assessment years  
32 beginning on or after January 1, 2020.

33  
34 /s/Jean

35 APPROVED: 3/20/19

36