

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4

As Engrossed: H1/28/97 S2/12/97

A Bill

ACT 440 OF 1997
HOUSE BILL 1146

5 By: Representative Purdom
6 By: Senator Russ
7

For An Act To Be Entitled

9 "AN ACT TO REPEAL ARKANSAS CODE 26-26-305 RELATING TO THE
10 CYCLICAL REAPPRAISAL OF PROPERTY FOR AD VALOREM TAX
11 PURPOSES; TO AMEND ARKANSAS CODE 26-26-304 CONCERNING THE
12 EFFECT ON STATE AID OR TURNBACK FUNDS FROM ASSESSMENT
13 RATIOS; AND FOR OTHER PURPOSES.' "

Subtitle

15 "TO REPEAL ARKANSAS CODE 26-26-305
16 REGARDING REAPPRAISAL OF PROPERTY FOR AD
17 VALOREM TAX PURPOSES; AND CONCERNING
18 ASSESSMENT RATIOS.' "
19

20
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22
23 SECTION 1. Arkansas Code 26-26-305 is hereby repealed.

24 ~~"§ 26-26-305. Valuation review program.~~

25 ~~— (a) It is the legislative intent of this section to promote~~
26 ~~property assessments that are not clearly erroneous, manifestly~~
27 ~~excessive, or confiscatory by requiring that each parcel of taxable~~
28 ~~property in each county of the state shall be physically reviewed, and~~
29 ~~revalued as required, at a minimum of once every five (5) years and more~~
30 ~~frequently as may be necessary.~~

31 ~~— (b) It shall be the duty of the county assessor of each county in~~
32 ~~the state to conduct and carry out a continuing program of valuation of~~
33 ~~all properties under his jurisdiction pursuant to such rules and~~
34 ~~regulations as the Assessment Coordination Division of the Arkansas~~
35 ~~Public Service Commission may prescribe, to the end that all parcels of~~
36 ~~property under the assessor's jurisdiction are appraised at current~~

1 ~~market value for assessment purposes.~~

2 ~~(c) The county quorum courts, after consultation with the taxing~~
3 ~~units in each county, shall furnish the assessor with such additional~~
4 ~~funds and personnel as may be required to carry out the cyclical review~~
5 ~~program hereby required.~~

6 ~~(d) The Assessment Coordination Division of the Arkansas Public~~
7 ~~Service Commission is hereby authorized, empowered, and directed to~~
8 ~~promulgate rules and regulations for the implementation of this program.~~

9 ~~(e) If the review cycle of a county's cyclical review program is~~
10 ~~two (2) or more years, then normal carrying out of such physical review~~
11 ~~program and adjustments to valuations thereunder shall not constitute a~~
12 ~~comprehensive countywide reappraisal for purposes of triggering the~~
13 ~~provisions of Arkansas Constitution, Amendment 59."~~

14

15 SECTION 2 Arkansas Code 26-26-304, concerning the effect on state
16 aid or turnback funds from assessment ratios, is amended to add the
17 following new subsection to read as follows:

18 '(g)(1) In addition to the other provisions of this section,
19 whenever the August 1 ratio for the classifications of market value real
20 estate, personal property (business), or personal property (auto and
21 other) falls below eighteen percent (18%) or above twenty-two percent
22 (22%) of full fair market value for the second consecutive August 1
23 ratio study, the county shall be deemed to have failed the ratio study
24 and shall be subject to the penalties and corrective actions outlined in
25 subdivision (c)(4)(D) of this section.

26 (2) Further, where the weighted coefficient of dispersion about
27 the median ratio, as defined by the Assessment Coordination Division,
28 for market value real estate exceeds twenty (20) for the second
29 consecutive August 1 ratio study, the county shall be deemed to have
30 failed the ratio study and will be subject to the penalties and
31 corrective actions outlined in subdivision (c)(4)(D) of this section or
32 the withholding of five percent (5%) of all state turnback funds for all
33 taxing units in the county, whichever is greater.

34 (3) This subsection (g) shall be effective beginning with the
35 August preliminary ratio study for 1998.'

36

1 SECTION 3. All provisions of this act of a general and permanent
2 nature are amendatory to the Arkansas Code of 1987 Annotated and the
3 Arkansas Code Revision Commission shall incorporate the same in the
4 Code.

5
6 SECTION 4. If any provision of this act or the application
7 thereof to any person or circumstance is held invalid, such invalidity
8 shall not affect other provisions or applications of the act which can
9 be given effect without the invalid provision or application, and to
10 this end the provisions of this act are declared to be severable.

11
12 SECTION 5. All laws and parts of laws in conflict with this act
13 are hereby repealed.

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15 SECTION 6. EMERGENCY. It is hereby found and determined by the
16 General Assembly that Arkansas Code 26-26-305 which requires a
17 reappraisal of property in each county for ad valorem tax purposes at
18 least every five (5) years does not address various issues concerning
19 the application of the new appraised values when the reappraisal is
20 carried out over a period of two or more years and purports to prevent
21 application of the rollback provisions of Amendment #59 to the Arkansas
22 Constitution when a reappraisal is carried out over a period of two or
23 more years and consequently has raised several constitutional questions
24 and caused considerable confusion in the administration of ad valorem
25 tax laws and should be repealed immediately. Therefore an emergency is
26 declared to exist and this act being immediately necessary for the
27 preservation of the public peace, health and safety shall become
28 effective on the date of its approval by the Governor. If the bill is
29 neither approved nor vetoed by the Governor, it shall become effective
30 on the expiration of the period of time during which the Governor may
31 veto the bill. If the bill is vetoed by the Governor and the veto is
32 overridden, it shall become effective on the date the last house
33 overrides the veto.

34 /s/Rep. Purdom, et al

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36 APPROVED:3-11-97