

State of Arkansas

As Engrossed: H3/19/25

95th General Assembly

A Bill

Regular Session, 2025

HOUSE BILL 1691

By: Representative Torres

By: Senator D. Wallace

For An Act To Be Entitled

AN ACT TO PROVIDE FOR CERTAIN PROPERTY TO BE EXEMPT
FROM TAXATION; TO PROVIDE THAT CERTAIN MOTOR VEHICLES
USED EXCLUSIVELY FOR PUBLIC CHARITY ARE EXEMPT FROM
PERSONAL PROPERTY TAX; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE FOR CERTAIN PROPERTY TO BE
EXEMPT FROM TAXATION; AND TO PROVIDE
THAT CERTAIN MOTOR VEHICLES USED
EXCLUSIVELY FOR PUBLIC CHARITY ARE
EXEMPT FROM PERSONAL PROPERTY TAX.

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

SECTION 1. DO NOT CODIFY. Legislative findings.

The General Assembly finds that:

(1) Arkansas Constitution, Article 16, § 5, provides that
buildings, grounds, and materials used exclusively for public charity
purposes are exempt from property tax;

(2) The Assessment Coordination Division has recognized that
motor vehicles owned by public charities and used exclusively for the
purposes of public charity are exempt from personal property tax as materials
of public charity;

(3) The General Assembly has provided flexibility for the state
and local governments to determine if a vehicle belonging to the state or a
local government should be leased or purchased;

(4) A motor vehicle as defined in § 26-52-103 that belongs to



1 the state or a local government and is subject to a lease of at least twelve
2 (12) months is exempt from taxation; and

3 (5) For the purpose of the personal property tax exemption, the
4 General Assembly should extend the same flexibility to public charities to
5 determine if a motor vehicle that belongs to a public charity and is used
6 exclusively for purposes of the public charity should be leased or purchased.

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8 SECTION 2. Arkansas Code § 26-3-301(7), concerning property that is
9 exempt from tax, is amended to read as follows:

10 (7) All buildings belonging to institutions of purely public
11 charity, together with the land actually occupied by these institutions, not
12 leased or otherwise used with a view to profit, ~~and~~ all moneys and credits
13 appropriated solely to sustaining, and belonging exclusively to, these
14 institutions, and motor vehicles, as defined in § 26-52-103, that are used
15 exclusively for purposes of public charity and are subject to a lease of at
16 least twelve (12) months by an institution of public charity;

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18 SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective for
19 assessment years beginning on or after January 1, 2026.

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21 /s/Torres
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24 APPROVED: 4/8/25
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