

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 994 of the Regular Session

As Engrossed: H3/14/07 S3/29/07

A Bill

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007

HOUSE BILL 2420

4  
5 By: Representatives Petrus, Lovell

6 By: Senator Glover  
7  
8

9 **For An Act To Be Entitled**

10 AN ACT TO IMPROVE THE VALUATION PROCESS FOR  
11 AGRICULTURAL LAND, PASTURE LAND, AND TIMBER LAND  
12 IN ORDER TO MORE ACCURATELY REFLECT PROPERTY  
13 VALUE; AND FOR OTHER PURPOSES.  
14

15 **Subtitle**

16 TO IMPROVE THE VALUATION PROCESS FOR  
17 AGRICULTURAL LAND, PASTURE LAND, AND  
18 TIMBER LAND IN ORDER TO MORE ACCURATELY  
19 REFLECT PROPERTY VALUE.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 26-26-407(e), concerning the valuation of  
25 agricultural land, pasture land, and timber land, is amended to read as  
26 follows:

27 (e)(1) In devising and developing methods of assessing and levying the  
28 ad valorem property tax on real property, the Assessment Coordination  
29 Department shall annually develop and publish valuation tables and other data  
30 which shall be used by county assessors for assessing lands qualifying under  
31 the provisions of this subchapter.

32 (2)(A) Effective for assessment years beginning January 1, 2008,  
33 and every year thereafter, the department shall update the valuation tables  
34 for assessing lands qualifying as agricultural land, pasture land, and timber  
35 land in time for counties to use the updated tables when they finish their



1 countywide reappraisals.

2 (B) Beginning January 1, 2008, when there is a countywide  
3 reappraisal, a county shall assess agricultural land, pasture land, and  
4 timber land based upon the updated values in the valuation tables issued for  
5 the assessment year.

6 (3)(A) Effective for assessment years beginning January 1, 2008,  
7 the department by rule shall develop appropriate formulas reflecting the  
8 productivity valuation of the land based upon income capability attributable  
9 to agricultural land, pasture land, and timber land soils.

10 (B) Beginning January 1, 2008, and every year thereafter,  
11 the department shall develop and calculate capitalization rates by using  
12 appropriate long-term federal security rates, risk rates, management rates,  
13 and other appropriate financial rates.

14 (C) However, the capitalization rate developed under  
15 subdivision (e)(3)(B) of this section shall not be less than eight percent  
16 (8%) nor more than twelve percent (12%).

17 (4) By October 15 of each year, the department shall report to  
18 the Legislative Council any changes to any part of the formula used to  
19 determine the value or the capitalization rate.

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21 SECTION 2. Arkansas Code § 26-26-1116 is repealed.

22 ~~26-26-1116. Land modification.~~

23 ~~(a) The Assessment Coordination Department shall not modify the value~~  
24 ~~of agricultural land, timber land, or pasture land unless it conducts at~~  
25 ~~least one (1) public hearing in each congressional district of this state~~  
26 ~~with the last public hearing occurring no later than six (6) months prior to~~  
27 ~~the date of the modification.~~

28 ~~(b) The department shall provide written justification for any~~  
29 ~~modification of the value of agricultural land, timber land, or pasture land.~~

30  
31 /s/ Petrus

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33 APPROVED: 4/3/2007