

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.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 1927

4
5 By: Representatives Kenney, J. Martin, Anderson, Harris, T. Hutchinson, Key, Matayo, Mathis, Nichols,
6 Pace, Petrus, Rosenbaum, Schulte, Scroggin, Thyer, Walters, Wood, Wyatt

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For An Act To Be Entitled

10 AN ACT TO CREATE THE PROPERTY TAX RELIEF FOR THE
11 ELDERLY ACT; TO PROVIDE A CASH PAYMENT TO ELDERLY
12 LOW INCOME TAXPAYERS FOR REAL PROPERTY TAX
13 RELIEF; AND FOR OTHER PURPOSES.

14
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Subtitle

16 TO CREATE THE PROPERTY TAX RELIEF FOR
17 THE ELDERLY ACT.

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19

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

21

22 SECTION 1. Arkansas Code Title 26 is amended to add a new chapter to
23 read as follows:

24 26-29-101. Title.

25 This subchapter shall be known and may be cited as the "Property Tax
26 Relief for the Elderly Act".

27

28 26-29-102. Definitions.

29 As used in this subchapter:

30 (1) "Claimant" means a person who has:

31 (A) Filed a claim for a cash payment under this
32 subchapter; and

33 (B) Been a resident of this state for two (2) years or
34 more preceding the filing of the claim;

35 (2)(A) "Homestead" means the dwelling of a person that is used
36 as his or her principal place of residence and the contiguous land, excluding



1 all land valued as agricultural land, pasture land, or timber land.

2 (B) "Homestead" includes a dwelling owned by a revocable
3 trust and used as the principal place of residence of the person who formed
4 the trust.

5 (C) "Homestead" includes a mobile home or manufactured
6 home used as the principal place of residence and the contiguous land,
7 excluding land valued as agricultural land, pasture land, or timber land;

8 (3) "Household" means a claimant or a claimant and his or her
9 spouse;

10 (4) "Household income" means the combined income received by a
11 household during a tax year;

12 (5)(A) "Income" means gross income as defined in the Arkansas
13 Income Tax Act of 1929, § 26-51-101 et seq., less deductions allowed under §
14 26-51-423(a)(1).

15 (B) "Income" includes:

16 (i) Alimony;

17 (ii) Support money ordered to be paid by a court;

18 (iii) Cash public assistance and relief;

19 (iv) The gross amount of any pension or annuity,
20 including all monetary retirement or pension benefits from whatever source
21 derived;

22 (v) Payments received under the federal Social
23 Security Act;

24 (vi) Payments received for veterans' disability
25 pensions;

26 (vii) Payments received under the workers'
27 compensation law; and

28 (viii) Payments received under disability insurance.

29 (C) "Income" does not include:

30 (i) Relief granted under this subchapter;

31 (ii) Gifts from nongovernmental sources; or

32 (iii) Other relief in kind supplied by a
33 governmental agency; and

34 (6) "Property taxes" means all ad valorem taxes, excluding
35 special assessments and delinquent charges, levied and paid on a claimant's
36 homestead during a calendar year.

1
2 26-29-103. Eligibility.

3 (a) A person who has owned a homestead in Arkansas for at least one
4 (1) year and meets one of the following requirements is eligible to apply for
5 a cash payment under this subchapter, subject to the limits stated in § 26-
6 51-2107:

7 (1) The person is sixty-five (65) years of age or older;

8 (2) The person is disabled, as defined in Subchapter XIX of the
9 federal Social Security Act in effect on January 1, 2005, for any period
10 during the calendar year; or

11 (3) The person is a permanently and totally disabled veteran as
12 defined by 38 CFR Part IV, as in effect on January 1, 2005.

13 (b) No claim shall be allowed under this subchapter if the Department
14 of Finance and Administration determines that the claimant received title to
15 his or her homestead for the primary purpose of taking advantage of the
16 benefits provided by this subchapter.

17
18 26-29-104. Claims – Filing – Contents.

19 (a) The Director of the Department of Finance and Administration shall
20 have the authority to promulgate all rules necessary to administer this
21 subchapter.

22 (b)(1) A claimant shall file a claim for the cash payment under this
23 subchapter with the Director of the Department of Finance and Administration
24 on the form prescribed by the Department of Finance and Administration.

25 (2) The claimant shall include the following information on the
26 form:

27 (A) The names of members of the claimant’s household;

28 (B) The amount of the household income;

29 (C) The address or location of the claimant’s homestead;

30 (D) A statement of the property taxes paid on the
31 homestead during the calendar year;

32 (E) A statement that there are no delinquent property
33 taxes on the homestead; and

34 (F) Any other information that may be required by the
35 department to assure that the claimant is eligible for, and entitled to,
36 benefits under this subchapter.

1 (c)(1) Claims under this subchapter shall be filed on or before August
2 15 of the year after the year in which the property taxes used as a basis for
3 the claim were paid.

4 (2) If a claimant fails to file a claim within the time limits
5 established by this subsection due to the claimant's serious illness or to
6 some other matter beyond the claimant's control, the director may permit the
7 filing of the claim no later than four (4) months after the deadline.

8 (d) Only one (1) member of a household may make a claim under this
9 subchapter in a particular year.

10
11 26-29-105. Claims – Effect of claimant's death.

12 (a) The right to file a claim under this subchapter shall be personal
13 to the claimant or another member of the household and shall not survive the
14 death of the members of the household.

15 (b) If a claimant dies after having filed a timely claim, the amount
16 of the claim may be disbursed only to another member of the household.

17
18 26-29-106. Claims – Approval or denial.

19 (a)(1) The Department of Finance and Administration shall either
20 approve or deny every claim filed under this subchapter within ninety (90)
21 days after the date the claim is filed.

22 (2) The department may approve the amount claimed or another
23 amount as determined by the department.

24 (b)(1) If the department denies the claim of any claimant or reduces
25 the amount of the claim, the department shall notify the claimant and the
26 claimant may request a reconsideration of the claim by filing a written
27 request for reconsideration at any time within thirty (30) days after receipt
28 of the notice of the decision of the department.

29 (2) Upon receipt of the request for reconsideration of a claim,
30 the department shall reconsider the claim and notify the claimant of its
31 final decision within thirty (30) days after the receipt of the request.

32 (c) If the claimant is dissatisfied with the final ruling of the
33 department regarding his or her claim, the claimant may appeal the decision
34 to the Pulaski County Circuit Court or the circuit court of the county in
35 which the claimant resides in the manner and within the time prescribed for
36 appeals from other administrative decisions of the Director of the Department

1 of Finance and Administration.

2
3 26-29-107. Allowable cash payment – Maximum.

4 (a) The amount of any cash payment allowed or made under this
5 subchapter shall be determined as follows:

6 (1) If the household income of the claimant was ten thousand
7 dollars (\$10,000) or less for the tax year, then the claimant shall be
8 entitled to file a claim for the lesser of either three hundred dollars
9 (\$300) or the amount of the property taxes paid on the claimant's homestead
10 for the tax year;

11 (2) If the household income of the claimant is more than ten
12 thousand dollars (\$10,000), but not more than fifteen thousand dollars
13 (\$15,000) for the tax year, then the claimant shall be entitled to file a
14 claim for the lesser of either two hundred fifty dollars (\$250) or the amount
15 of the property taxes paid on the claimant's homestead for the tax year;

16 (3) If the household income of the claimant is more than fifteen
17 thousand dollars (\$15,000), but not more than twenty thousand dollars
18 (\$20,000) for the tax year, then the claimant shall be entitled to file a
19 claim for the lesser of either two hundred dollars (\$200) or the amount of
20 the property taxes paid on the claimant's homestead for the tax year;

21 (4) If the household income of the claimant is more than twenty
22 thousand dollars (\$20,000), but not more than twenty-five thousand dollars
23 (\$25,000) for the tax year, then the claimant shall be entitled to file a
24 claim for the lesser of either one hundred fifty dollars (\$150) or the amount
25 of the property taxes paid on the claimant's homestead for the tax year; and

26 (5) If the household income of the claimant is more than twenty-
27 five thousand dollars (\$25,000), but not more than thirty thousand dollars
28 (\$30,000) for the tax year, then the claimant shall be entitled to file a
29 claim for the lesser of either one hundred twenty-five dollars (\$125) or the
30 amount of the property taxes paid on the claimant's homestead for the tax
31 year.

32 (b) No claimant shall receive a cash payment for more than the amount
33 of the property taxes paid on the claimant's homestead in a tax year.

34 (c) No interest shall be allowed on any payment made to a claimant
35 under this subchapter.

36 (d) If a claimant or another member of the claimant's household has

1 any outstanding tax liability to the State of Arkansas, the amount of any
2 claim otherwise payable under this subchapter, or the portion of the claim,
3 shall be applied to the payment of the outstanding tax liability.

4
5 26-29-108. Property Tax Relief Trust Fund – Payment of cash rebates –
6 Loans.

7 (a) The Property Tax Relief Trust Fund shall be used for the payment
8 of cash rebates to claimants under the provisions of this subchapter.

9 (b)(1)(A) Temporary loans may be made from the Budget Stabilization
10 Trust Fund to the Property Tax Relief Trust Fund upon certification of the
11 amount by the Chief Fiscal Officer of the State for the purpose of making
12 moneys available to make cash payments to claimants under this subchapter as
13 the cash payments are filed and approved for payment.

14 (B) Any amounts loaned under this section shall be repaid
15 to the Budget Stabilization Trust Fund from the moneys first credited to the
16 Property Tax Relief Trust Fund during the month next following the month in
17 which the loan was made.

18 (2) All loans and repayment of the loans shall be by transfer
19 upon the books of the Treasurer of State and upon certification of the
20 amounts by the Chief Fiscal Officer of the State.

21
22 SECTION 2. Arkansas Code § 19-5-1103(b), regarding the Property Tax
23 Relief Trust Fund, is amended to read as follows:

24 (b) The fund shall consist of such revenues as generated by §§ 26-52-
25 302(c) and 26-53-107(c) and shall be used for such purposes as set out in §§
26 26-26-310 and 26-29-108.

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28 SECTION 3. This act shall become effective on January 1, 2006, for
29 property taxes paid during calendar year 2005 for property tax assessed in
30 calendar year 2004.