

**Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.**

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4  
5 By: Senator Bisbee  
6  
7

SJR 9

**SENATE JOINT RESOLUTION**

9 PROPOSING AN AMENDMENT TO AMENDMENT 79 OF THE  
10 ARKANSAS CONSTITUTION TO REQUIRE THE ASSESSMENT  
11 VALUE OF A HOMESTEAD TO BE ADJUSTED, IF THE  
12 HOMESTEAD IS SOLD, ACCORDING TO THE ASSESSED  
13 VALUE OF THE MARKET VALUE OF THE HOMESTEAD AT THE  
14 TIME OF THE SALE; TO AMEND AMENDMENT 79 TO  
15 PROVIDE THAT THE ASSESSED VALUE LIMITATIONS ARE  
16 NOT APPLICABLE IF THE GENERAL ASSEMBLY INCREASES  
17 THE ASSESSMENT LEVEL.  
18

**Subtitle**

19  
20 PROPOSING AN AMENDMENT TO AMENDMENT 79  
21 OF THE ARKANSAS CONSTITUTION TO REQUIRE  
22 THE ASSESSMENT VALUE OF A HOMESTEAD TO  
23 BE ADJUSTED.  
24  
25

26 BE IT RESOLVED BY THE SENATE OF THE EIGHTY-FIFTH GENERAL ASSEMBLY OF THE  
27 STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL  
28 MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:  
29

30 That the following is proposed as an amendment to the Constitution of  
31 the State of Arkansas, and upon being submitted to the electors of the state  
32 for approval or rejection at the next general election for Senators and  
33 Representatives, if a majority of the electors voting thereon at the  
34 election, adopt the amendment, the amendment shall become a part of the  
35 Constitution of the State of Arkansas, to wit:  
36



1 SECTION 1. Subsections (b), (c), and (d) of Section 1 of Amendment 79  
 2 of the Constitution of the State of Arkansas are amended to read as follows:

3 (b)(1) If the parcel is not a taxpayer's homestead used as the  
 4 taxpayer's principal place of residence, then for the first assessment  
 5 following reappraisal, any increase in the assessed value of the parcel shall  
 6 be limited to not more than ten percent (10%) of the assessed value of the  
 7 parcel for the previous year. In each year thereafter the assessed value  
 8 shall increase by an additional ten percent (10%) of the assessed value of  
 9 the parcel for the year prior to the first assessment that resulted from  
 10 reappraisal but shall not exceed the assessed value determined by the  
 11 reappraisal prior to adjustment under this subsection. For utility and  
 12 carrier real property, any annual increase in the assessed value of the  
 13 parcel shall be limited to not more than ten percent (10%) of the assessed  
 14 value for the previous year.

15 (2) This subsection (b) does not apply to newly discovered real  
 16 property, new construction, or to substantial improvements to real property.

17 (3) This subsection (b) does not apply if the General Assembly  
 18 increases the assessment level. The assessment level is a percentage of true  
 19 and full market or actual value of the assessed property.

20 (c)(1) Except as provided in subsection (d), if the parcel is a  
 21 taxpayer's homestead used as the taxpayer's principal place of residence then  
 22 for the first assessment following reappraisal, any increase in the assessed  
 23 value of the parcel shall be limited to not more than five percent (5%) of  
 24 the assessed value of the parcel for the previous year. In each year  
 25 thereafter the assessed value shall increase by an additional five percent  
 26 (5%) of the assessed value of the parcel for the year prior to the first  
 27 assessment that resulted from reappraisal but shall not exceed the assessed  
 28 value determined by the reappraisal prior to adjustment under this  
 29 subsection.

30 (2) This subsection (c) does not apply to newly discovered real  
 31 property, new construction, or to substantial improvements to real property.

32 (3) This subsection (c) does not apply if the General Assembly  
 33 increases the assessment level. The assessment level is a percentage of true  
 34 and full market or actual value of the assessed property.

35 (4) Upon the sale of a homestead assessed under this subsection  
 36 (c), the assessed value shall be adjusted according to the assessed value of

1 the market value of the homestead at the time of sale.

2 (d)(1)(A) A homestead used as the taxpayer's principal place of  
 3 residence purchased or constructed on or after January 1, 2001 by a disabled  
 4 person or by a person sixty-five (65) years of age or older shall be assessed  
 5 thereafter based on the lower of the assessed value as of the date of  
 6 purchase or construction or a later assessed value.

7 (B) When a person becomes disabled or reaches sixty-five  
 8 (65) years of age on or after January 1, 2001, that person's homestead used  
 9 as the taxpayer's principal place of residence shall thereafter be assessed  
 10 based on the lower of the assessed value on the person's sixty-fifth  
 11 birthday, on the date the person becomes disabled or a later assessed value.

12 (C) If a person is disabled or is at least sixty-five (65)  
 13 years of age and owns a homestead used as the taxpayer's principal place of  
 14 residence on January 1, 2001, the homestead shall be assessed based on the  
 15 lower of the assessed value on January 1, 2001 or a later assessed value.

16 (2) Residing in a nursing home shall not disqualify a person  
 17 from the benefits of this subsection (d).

18 (3) In instances of joint ownership, if one of the owners  
 19 qualifies under this subsection (d), all owners shall receive the benefits of  
 20 this amendment.

21 (4) This subsection (d) does not apply to substantial  
 22 improvements to real property.

23 (5) For real property that is subject to Section 2 of this  
 24 Amendment, in lieu of January 1, 2001, the applicable date for this  
 25 subsection (d) shall be January 1 of the year following the completion of the  
 26 adjustments to assessed value required by Section 2.

27 (6) Upon the sale of a homestead that has had its assessed value  
 28 limited under this subsection (d), the assessed value shall be adjusted  
 29 according to the assessed value of the market value of the homestead at the  
 30 time of sale.

31  
 32 SECTION 2. Section 2 of Amendment 79 of the Constitution of the State  
 33 of Arkansas, is amended to read as follows:

34 § 2. [Effect of county-wide reappraisal-public utility and carrier  
 35 exception].

36 (a)(1) Section 1 of this Amendment shall not be applicable to a county

1 in which there has been no county-wide reappraisal, as defined by law, and  
2 resulting assessed value of property between January 1, 1986 and December 31,  
3 2000. Real property in such a county shall be adjusted according to the  
4 provisions of this section.

5 (2) Upon the completion of the adjustments to assessed value  
6 required by this section each taxpayer of that county shall be entitled to  
7 apply the provision of Section 1 of this Amendment to the real property owned  
8 by them.

9 (b) The county assessor, or other official or officials designated by  
10 law, shall compare the assessed value of each parcel of real property to the  
11 prior year's assessed value. If assessed value of the parcel increased, then  
12 the assessed value of the parcel for the first assessment resulting from  
13 reappraisal shall be adjusted by adding one-third (1/3) of the increase to  
14 the assessed value of the parcel for the previous year. An additional one-  
15 third (1/3) of the increase shall be added in each of the next two (2) years.  
16 This adjustment procedure shall not apply to public utility and carrier  
17 property. Public utility and carrier property shall be adjusted pursuant to  
18 Section 1.

19 (c) No adjustment shall be made for newly discovered real property,  
20 new construction, or to substantial improvements to real property.

21 (d) Upon the sale of a homestead that has been assessed under this  
22 section, the assessed value shall be adjusted according to the assessed value  
23 of the market value of the homestead at the time of sale.

24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36