

1 INTERIM RESOLUTION 2019-003

2
3 REQUESTING THAT THE ARKANSAS LEGISLATIVE COUNCIL URGE THE
4 ASSESSMENT COORDINATION DIVISION TO AMEND THE NEW ASSESSMENT
5 RATES FOR POULTRY HOUSES AND TO ENSURE THAT PROPER RULEMAKING
6 PROCEDURES ARE FOLLOWED IN ESTABLISHING FUTURE GUIDELINES AND
7 RATES FOR COUNTY ASSESSORS; AND TO ENCOURAGE THE JOINT
8 PERFORMANCE REVIEW COMMITTEE TO STUDY THE VALUATION OF POULTRY
9 HOUSES FOR PURPOSES OF ASSESSING PROPERTY TAX AND RECOMMENDING
10 LEGISLATION TO ESTABLISH A METHOD OF VALUATION FOR POULTRY
11 HOUSES.

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13 WHEREAS, in 2017 the Assessment Coordination Department, which is now
14 known as the Assessment Coordination Division under Acts 2019, No. 910,
15 conducted a statewide review of property tax assessments for poultry houses
16 and concluded that inequalities existed in the assessments among counties and
17 that the rates set out in the department's cost manual did not reflect the
18 current value of poultry houses; and

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20 WHEREAS, in 2018 the department notified all county assessors about new
21 assessment rates for poultry houses and equipment that would go into effect
22 based on a schedule established by the department; and

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24 WHEREAS, based on the new rates established by the department, the
25 rates per square foot for poultry houses increased from four dollars and
26 fifty cents (\$4.50) to nine dollars (\$9.00) for broiler houses, from nine
27 dollars and twenty-nine cents (\$9.29) to eighteen dollars (\$18.00) for layer
28 houses, and from four dollars and ninety-five cents (\$4.95) to ten dollars
29 (\$10.00) for breeder houses; and

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31 WHEREAS, in response to questions from members of the General Assembly
32 during a Legislative Council subcommittee meeting, the department stated that
33 the new assessment rates for poultry houses were "recommendations to county
34 assessors to be used as a starting point to reach market value and achieve
35 valuation fairness and equity among producers. The assessors are not
36 required to use the exact new values. The values are provided as a well-

1 researched starting point to assist them in achieving market value in their
2 respective counties. Our guidelines along with local sales, income data, and
3 local survey will allow the assessor to more accurately achieve market value
4 which could be higher or lower than our guidelines depending on the actual
5 local market data"; and

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7 WHEREAS, the department did not promulgate rules to establish the new
8 rates for poultry houses; and

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10 WHEREAS, Arkansas Constitution, Article 16, § 5, directs that "[a]ll
11 real and tangible personal property subject to taxation shall be taxed
12 according to its value, that value to be ascertained in such manner as the
13 General Assembly shall direct, making the same equal and uniform throughout
14 the State"; and

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16 WHEREAS, the General Assembly can and should set a method of valuation
17 for poultry houses that would make assessments equal and uniform throughout
18 the state; and

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20 WHEREAS, any changes in the assessment of poultry houses should be
21 implemented in a manner that is fair to all parties; and

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23 WHEREAS, the department's changes to the assessment rates for poultry
24 houses created confusion among owners of poultry houses and county assessors
25 and opened the door to the potential for inequity in valuations, in violation
26 of the Arkansas Constitution; and

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28 WHEREAS, the department's changes to the assessment rates for poultry
29 houses should be amended or suspended, and any future changes in these rates
30 should be made through the rulemaking process, which would allow the General
31 Assembly to ensure the rules comply with legislative intent,

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33 NOW THEREFORE,

34 BE IT RESOLVED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETY-SECOND
35 GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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1 THAT the Arkansas Legislative Council urge the Assessment Coordination
2 Division to:

3 (1) Amend the guidelines and rates issued in 2018 for poultry
4 houses to eliminate confusion among county assessors and property owners,
5 alleviate the burden placed on property owners, and ensure that all laws are
6 being followed in the assessment and taxation of poultry houses; and

7 (2) Follow the proper rulemaking procedures in establishing any
8 future guidelines and rates for county assessors to follow.

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10 BE IT FURTHER RESOLVED that the Arkansas Legislative Council encourage
11 the Joint Performance Review Committee to:

12 (1) Study the various means of determining the valuation of
13 poultry houses for purposes of property tax assessment; and

14 (2) Recommend legislation to establish a method of valuation for
15 poultry houses to ensure the equal and uniform taxation of this type of
16 property throughout the state.

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18 BE IT FURTHER RESOLVED that upon adoption of this resolution, the staff
19 of the Bureau of Legislative Research mail a copy of this resolution to:

20 (1) The Assessment Coordination Division; and

21 (2) Each county assessor in the state.

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24 Respectfully submitted,

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28 Senator Gary Stubblefield

29 District 6

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31 Prepared by: JLL/JLL