

**Hall of the House of Representatives**  
91st General Assembly - Regular Session, 2017  
**Amendment Form**

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**Subtitle of House Bill No. 2127**

TO PROVIDE FOR THE TAXATION OF STATE-OWNED PROPERTY THAT IS HELD UNDER A LEASE;  
AND TO ALLOW THE ASSESSMENT AND COLLECTION OF PROPERTY TAX FROM THE LESSEE OF  
CERTAIN STATE-OWNED PROPERTY.

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**Amendment No. 1 to House Bill No. 2127**

Amend House Bill No. 2127 as originally introduced:

Delete everything after the enacting clause, and substitute the following:

"SECTION 1. Arkansas Code § 26-26-905 is amended to read as follows:  
26-26-905. Persons holding property.

(a) Property held under a lease for a term exceeding ten (10) years belonging to ~~the state or to any~~ a religious, scientific, or benevolent society or institution, whether incorporated or unincorporated, and school, seminary, saline, or other lands shall be considered, for all purposes of taxation, as the personal property of the person holding them and shall be listed as such by the person or his or her agent, as in other cases.

(b)(1) For purposes of assessing and collecting ad valorem tax, property owned by the state shall be considered the property of the lessee if the property is held under a lease for:

(A) An ongoing commercial or residential purpose; and

(B) A term of actual use or occupation that exceeds ninety

(90) days.

(2)(A) Except as provided in this subsection, a lessee of property owned by the state as described under subdivision (b)(1) of this section shall pay ad valorem tax on the property held under the lease for any tax year during which the lease for the property is in effect.

(B) However, if the term of a lease described under subdivision (b)(1) of this section is for less than a full tax year, the amount of ad valorem tax to be paid by the lessee shall be prorated on a calendar-month basis.

(3)(A) Within thirty (30) days of executing a lease described in subdivision (b)(1) of this section, the state shall provide written notification of the lease to the county assessor for the county in which the lease property is located.

(B) The written notification required under subdivision (b)(3)(A) of this section shall include without limitation the:

(i) Name and address of the lessee;

(ii) Term of the lease; and



(iii) Description of the leased property.

(4) This subsection does not apply to property owned and leased by the state and used:

(A) For the purpose of housing any one (1) or more of the following:

(i) Students or faculty, or both, of a state institution of higher education;

(ii) Officials or employees, or both, of a state entity; or

(iii) Official guests of a state entity;

(B) By a private person or entity for the purpose of providing a service to or on behalf of a state entity;

(C) For academic, research, or athletic facilities or purposes;

(D) For business and technology incubators or similar facilities; or

(E) By a state entity or nonprofit entity, including without limitation an organization that is otherwise exempt from taxation.

SECTION 2. DO NOT CODIFY. Transition.

A state entity that has an existing lease that meets the description in § 26-26-905(b)(1) shall provide the notification described under § 26-26-905(b)(3) within ninety (90) days of the effective date of this act.

SECTION 3. EFFECTIVE DATE. This act is effective for assessment years beginning on or after January 1, 2017."

The Amendment was read \_\_\_\_\_

By: Representative Collins

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Chief Clerk