

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1821

Bill Subtitle: TO AMEND THE LAW REGARDING A METHOD AND PROCEDURE FOR VALUATION OF PROPERTY FOR TAXATION PURPOSES UNDER ARKANSAS CONSTITUTION, ARTICLE 16, § 5; AND TO AMEND THE LAW GOVERNING THE VALUATION PROCEDURES FOR CERTAIN PROPERTY.

Basic Change :

Sponsor: Rep. Dotson and Sen. B. Johnson

Act 573 of 2015 amended § 26-26-1202 to address the valuation procedures of off-premises advertising signs for ad valorem property tax purposes. Current law provides that the market value of an off-premises advertising sign shall be determined using the cost approach to avoid the inclusion of exempt intangible personal property in the valuation.

HB1821 removes the reference to avoiding the inclusion of exempt intangible personal property from the valuation of an off-premises advertising sign. Intangible personal property is expressly exempted from ad valorem property tax in § 26-3-302.

Revenue Impact :

None.

Taxpayer Impact :

None.

Resources Required :

ACD and county assessor employees will need to be educated as well as the taxpayer community.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

None.