

1 INTERIM STUDY PROPOSAL 2017-076

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3 REQUESTING THAT THE SENATE COMMITTEE ON REVENUE AND TAXATION
4 STUDY THE VALUATION, ASSESSMENT, AND COLLECTION OF PROPERTY TAXES
5 ON MINERAL INTERESTS TO DETERMINE IF ANY CHANGES ARE WARRANTED TO
6 INCREASE EFFICIENCY OF COLLECTION.
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8 WHEREAS, property taxes assessed on mineral interests may be
9 distributed among many owners as the result of transfers and inheritances;
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12 WHEREAS, county collectors are required to send property tax statements
13 to each owner of taxable property, including property producing mineral
14 interests; and
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16 WHEREAS, the amount of property tax due from each owner may be nominal
17 because the property taxes are distributed among numerous owners; and
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19 WHEREAS, the cost of mailing out a property tax statement on some
20 mineral interests may exceed the amount of property tax due from each
21 individual owner; and
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23 WHEREAS, it would be beneficial for the state to study the valuation,
24 assessment, and collection of property taxes on mineral interests to
25 determine if any changes are warranted to increase efficiency of collection,
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27 NOW THEREFORE,

28 BE IT PROPOSED BY THE SENATE COMMITTEE ON REVENUE AND TAXATION OF THE NINETY-
29 FIRST GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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31 THAT the Senate Committee on Revenue And Taxation study the valuation,
32 assessment, and collection of property taxes on mineral interests, including
33 without limitation the following issues:

34 (1) The number of tax statements required to be issued for
35 mineral interests as the result of having ownership shared by multiple
36 persons;

1 (2) The cost to counties to collect property taxes on mineral
2 interests that have multiple owners;

3 (3) Whether churches, counties, or other similar entities are
4 being assessed property taxes on mineral interests;

5 (4) The accuracy of the property tax assessments on gas wells,
6 taking into consideration the intangibility of the gas well assets;

7 (5) The impact on businesses in sharing the data necessary to
8 consider changes to the current procedures for valuing, assessing, and
9 collecting property taxes on mineral interests;

10 (6) The accuracy of the data provided to county collectors on
11 mineral interests; and

12 (7) Possible changes to the law to create a threshold for
13 assessing property taxes on mineral interests.

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15 Respectfully submitted,

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19 Senator Jake Files
20 District 8

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24 Representative Justin Boyd
25 District 77
26 By: JLL/JLL