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95th General Assembly
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A Bill

HOUSE BILL 1911

By: Representative Lundstrum
By: Senator J. Bryant

Filed with: House Committee on City, County, and Local Affairs
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE ASSESSMENT OF
PROPERTY FOR THE PURPOSE OF PROPERTY TAX; TO REPEAL
THE REQUIREMENT THAT PERSONAL PROPERTY SUBJECT TO
TAXATION BE LISTED OR REPORTED BY THE PROPERTY OWNER;
AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE
ASSESSMENT OF PROPERTY FOR THE PURPOSE
OF PROPERTY TAX; AND TO REPEAL THE
REQUIREMENT THAT PERSONAL PROPERTY
SUBJECT TO TAXATION BE LISTED OR
REPORTED BY THE PROPERTY OWNER.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-26-201(a)(2)(A), concerning delinquent
property assessments, is amended to read as follows:

(2)(A) All persons and property not ~~listed for assessment~~
assessed with the county assessor on or before May 31 of the year in which
the assessment is required, as provided by this chapter, shall be deemed to
be delinquent in assessment, and the county assessor shall so designate it on
his or her records that the county clerk may know each item of property and
all persons so delinquent.

1
2 SECTION 2. Arkansas Code § 26-26-201(d), concerning delinquent
3 property assessments, is repealed.

4 ~~(d)(1) In addition to the penalties for not assessing, delinquent~~
5 ~~persons shall be required to pay an additional fifty cents (50¢) for each~~
6 ~~list, which shall be utilized by the county assessor to help pay for the~~
7 ~~expense of assessing property, subject to appropriation by the quorum court.~~

8 ~~(2) This additional sum shall be collected by the county~~
9 ~~collector in the usual manner and paid into the assessor's late assessment~~
10 ~~fee fund established on the books of the county treasurer.~~

11 ~~(3) Moneys in the assessor's late assessment fee fund shall be~~
12 ~~allowed to accumulate and the fees collected shall not be used in the final~~
13 ~~tax settlement proration for the costs of operating the assessor's office.~~
14

15 SECTION 3. Arkansas Code § 26-26-307(b), concerning the reappraisal of
16 property, is amended to read as follows:

17 (b) Provided that newly discovered real property, new construction and
18 improvements to real property, and personal property, shall be ~~listed,~~
19 appraised and assessed as otherwise provided by law until the countywide
20 reappraisal of property is completed.
21

22 SECTION 4. Arkansas Code § 26-26-502 is amended to read as follows:

23 26-26-502. Deputy county assessors.

24 The county assessor in each county, with the approval of the Secretary
25 of the Department of Finance and Administration, is authorized to deputize
26 one (1) or more full-time or part-time clerks or other employees in the
27 county revenue office and to authorize these deputies to assess personal
28 property ~~or to list personal property for assessment~~ for ad valorem taxes.
29

30 SECTION 5. Arkansas Code § 26-26-701 is amended to read as follows:

31 26-26-701. Furnishing of ~~lists,~~ blanks, and records.

32 (a)(1) The Arkansas Public Service Commission shall prepare and
33 furnish, at the proper time, to the county clerks in this state copies for
34 all ~~lists,~~ blanks, and records to be used in the assessment, extension, and
35 collection of taxes, and the county clerk shall have all ~~lists,~~ blanks, and
36 records made at the expense of the county.

(2) This subsection shall not apply to poll tax receipts.

(3) No ~~lists~~, blanks, or records shall be used by any official in the assessment, extension, or collection of taxes except as shall have had the approval of the commission.

(b) On or before January 1 of each year, the county clerk shall furnish to the county assessor all ~~lists~~, blanks, and records necessary for the assessment of all real and personal property for the year, all of them to be prepared as provided by law unless otherwise directed by the commission.

SECTION 6. Arkansas Code § 26-26-714 is amended to read as follows:

26-26-714. Preservation of assessment lists.

(a) ~~The original assessment lists as made out, sworn to, and delivered to the county assessor by any person or property owner of the county and~~ assessment lists made by the county assessor prior to the date on which the assessment rolls are delivered to the county clerk, together with copies of all assessment lists as made out, sworn to, and delivered to the county clerk by the county assessor ~~or any other person~~ after the assessment rolls have been delivered to the county clerk and before the county collector closes his or her books, shall remain in the office of the county assessor for at least four (4) years after the date upon which they were made, during which time the lists shall be filed by the county assessor in such manner that they may be readily referred to and utilized.

(b) Copies of all assessment lists as made by the county assessor ~~or any other person~~ subsequent to the date on which penalty attached for failure to assess and before the assessment record is required to be filed with the county clerk shall be delivered to the county clerk at the same time the assessment record is filed, which lists, together with the original of all assessment lists as may be filed with the county clerk by the county assessor ~~or any other person~~ after the assessment record has been delivered to the county clerk and before the county collector closes his or her books, shall be preserved by the county clerk for the purpose of checking the tax books to determine if all penalties for failure to assess at the proper time have been properly designated and extended.

SECTION 7. Arkansas Code §§ 26-26-901 and 26-26-902 are repealed.

~~26-26-901. Furnishing of forms.~~

1 ~~Upon the application of the property owner or other person required to~~
2 ~~file an assessment list, the county assessor shall furnish appropriate blanks~~
3 ~~upon which to list and report the property required to be listed.~~

4
5 ~~26-26-902. Oath of one listing.~~

6 ~~(a) The county assessors, deputy county assessors, and Arkansas Public~~
7 ~~Service Commission, or any other officer charged under the law with assessing~~
8 ~~taxes, shall, when each and every person presents himself or herself to make~~
9 ~~and prepare a property list, administer the following oath:~~

10 ~~"You do solemnly swear that you will well and truly answer all~~
11 ~~questions that may be asked of you touching on the assessment of your~~
12 ~~property."~~

13 ~~(b) Provided, however, this oath shall not be required of any~~
14 ~~individual assessing his or her real or personal property by telephone under~~
15 ~~§ 26-26-1114 or where the county assessor lists the property for the property~~
16 ~~owner as permitted in § 26-26-903.~~

17
18 SECTION 8. Arkansas Code §§ 26-26-903 – 26-26-906 are amended to read
19 as follows:

20 26-26-903. Owner to list real property.

21 (a) Every person of full age and sound mind shall list the real
22 property of which he or she is the owner, situated in the county in which he
23 or she resides, ~~and the personal property of which he or she is the owner.~~

24 (b) The county assessor may relieve the person of this requirement by
25 listing the current year's assessment of real property from a previous
26 property list or from a changed list based on a reassessment of the value of
27 the real property of the owner.

28
29 26-26-904. Listing of real property by representatives.

30 The real property of every ward shall be listed by his or her guardian;
31 of every minor, idiot, or lunatic, having no other guardian, by his or her
32 father, if living, and if not, by his or her mother, if living; and if
33 neither father nor mother is living, by the person having the real property
34 in charge; of every wife, by her husband, if of sound mind; if not, by
35 herself, if she is of sound mind; of every person for whose benefit real
36 property is held in trust, by the trustee; of every estate of a deceased

1 person, by the executor or administrator; of corporations whose assets are in
2 the hands of receivers, by the receiver; of every company, firm, body
3 politic, or corporate, by the president or principal accounting officer,
4 partner, or agent thereof.

5
6 26-26-905. Persons holding real property.

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

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

16 (A) An ongoing commercial or residential purpose; and

17 (B) A term of actual use or occupation that exceeds ninety
18 (90) days.

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

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

28 (B) The written notification required under subdivision
29 (b)(3)(A) of this section shall state the:

30 (i) Name and address of the lessee;

31 (ii) Term of the lease; and

32 (iii) Description of the leased real property.

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

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

- 1 (i) Students or faculty, or both, of a state
 2 institution of higher education;
 3 (ii) Officials or employees, or both, of a state
 4 entity; or
 5 (iii) Official guests of a state entity;
 6 (B) By a private person or entity for the purpose of
 7 providing a service to or on behalf of a state entity;
 8 (C) For academic, research, or athletic facilities or
 9 purposes;
 10 (D) For business and technology incubators or similar
 11 facilities;
 12 (E) For manufacturing or industrial facilities or
 13 purposes, including without limitation industrial facilities as described in
 14 § 14-164-701; or
 15 (F) By a state entity or nonprofit entity, including
 16 without limitation an organization that is otherwise exempt from taxation.

17
 18 26-26-906. Pawnbrokers.

19 ~~Every person or company engaged in the business of receiving property~~
 20 ~~in pledge or as security for money or other things advanced to the pawner or~~
 21 ~~pledger shall annually, at the time prescribed by this chapter for the~~
 22 ~~assessment of personal property, return, under oath, all property pledged to~~
 23 ~~and held by him or her as a pawnbroker to the county assessor of the proper~~
 24 ~~county.~~ The county assessor shall list and assess it property held by a
 25 person as a pawnbroker to the pawnbroker at its fair cash value.

26
 27 SECTION 9. Arkansas Code §§ 26-26-908 and 26-26-909 are amended to
 28 read as follows:

29 26-26-908. Property converted into nontaxable securities.

30 (a) If any person shall have converted moneys, credits, or other
 31 personal property in the year preceding January 1 of the year in which he or
 32 she is required to assess his or her property into bonds or other securities
 33 of the United States or this state not taxed, and shall hold or control the
 34 bonds or securities when he or she is required to ~~list~~ assess his or her
 35 property, ~~he or she shall list~~ the property shall be assessed to the person
 36 at the monthly average value of the moneys, credits, or other property held

1 or controlled by him or her.

2 (b) Any indebtedness of the persons represented by him or her, created
3 by investment in the bonds or other securities, shall not be deducted from
4 the amount of credits in making up his or her ~~list~~ assessment for taxation.

5
6 26-26-909. Credits and stocks which need not be ~~listed~~ assessed.

7 (a) No person shall be required to ~~list~~ assess a greater portion of
8 any credits than he or she believes will be acquired or can be collected, nor
9 any greater portion of any obligation given to secure the payment of rent
10 than the amount of rent that shall have accrued on the lease and shall remain
11 due and unpaid at the time of ~~listing~~ assessment.

12 (b) No person shall be required to include in his or her ~~statement~~
13 assessment, as a part of the personal property, moneys, credits, investments
14 in bonds, stocks, joint-stock companies, or otherwise, which he or she is
15 required to ~~list~~ assess, any share or portion of the capital stock or
16 property of any company or corporation which is required to ~~list~~ assess or
17 return its capital and property for taxation in this state.

18
19 SECTION 10. Arkansas Code § 26-26-910 is repealed.

20 ~~26-26-910. Valuations in listings not conclusive.~~

21 ~~(a)(1) The valuations as set out in any assessment list required under~~
22 ~~the provisions of this subchapter to be delivered to the county assessor by~~
23 ~~the property owner shall not be held to be conclusive as to the value of the~~
24 ~~property so listed, and the county assessor may make such assessment of the~~
25 ~~property as he or she may deem just and equitable.~~

26 ~~(2)(A) The county assessor, in each instance where he or she~~
27 ~~raises the valuation of any property which has been listed with him or her as~~
28 ~~by law required, shall deliver to the property owner or his or her agent a~~
29 ~~duplicate copy of the adjusted assessment list, or he or she shall notify the~~
30 ~~property owner or his or her agent by first class mail, which notice shall~~
31 ~~state separately the total valuation of real and personal property as listed~~
32 ~~by the property owner and as fixed by the county assessor, and shall advise~~
33 ~~that the owner may, by petition or letter, apply to the county equalization~~
34 ~~board for the adjustment of the assessment as fixed by the county assessor.~~

35 ~~(B) All applications shall be made to the county~~
36 ~~equalization board on or before the third Monday in August.~~

~~(b)(1) For the purpose of enabling the county assessor to determine just and equitable values of property, he or she is authorized, and it shall be his or her duty, to enter upon and make such personal inspection thereof as he or she shall deem necessary.~~

~~(2) Any person shall, when called upon by the county assessor, be required to answer upon oath and furnish proof demanded as to purchases, sales, transfers, improvements, accounts, notes, stocks, bonds, bank notes, bank deposits, invoices, insurance carried, or any and all other information requested and pertaining to the location, amount, kind, and value of his or her own property or that of another person.~~

SECTION 11. Arkansas Code § 26-26-911(a), concerning inquiries to makers of lists for property tax purposes, is amended to read as follows:

(a) The Arkansas Public Service Commission, the county assessor, or any one of them who may be required under the law to make assessment rolls shall, in addition to their duties as required by law, specifically inquire of ~~the maker of each list~~ a taxpayer the following:

(1) The number, kind, and value of each automobile he or she owns;

(2) The cash or funds on hand, and money on time deposit or otherwise in any depository, in or out of the state;

(3) The taxable securities of every kind and their value, in or out of the state, he or she may own;

(4) What stock, bonds, or mortgages owned and their value, in or out of the state;

(5) What leases or mineral deeds are owned and the value of them that are contemplated in §§ 26-26-1109 and 26-26-1110;

(6) What timber, deeds, or contracts contemplated by § 26-3-205 he or she owns and the value of them; and

(7) Any other property of any kind whatsoever that has a value about which questions have not been asked.

SECTION 12. Arkansas Code § 26-26-914 is repealed.

~~26-26-914. Unavoidable failure to list property.~~

~~(a) If any person required to list property for taxation is prevented by sickness or absence from giving to the county assessor the list of~~

~~property as prescribed by this subchapter, the person, or his or her agent having charge of the property, may, at any time before the making out of the tax books by the county clerk, make out and deliver to the county assessor of the county a statement of the same as required by this subchapter. The county assessor shall in such case make an entry in the returns of the proper city, town, ward, or school district and correct the items in the return made by him or her, as the case may require.~~

~~(b) No such statement shall be received by the county assessor from any person who has refused or neglected to make oath to his or her statement when required by the county assessor under the provisions of this subchapter, nor from any person unless he or she has first made and filed with the county clerk an affidavit that the person required to list the same was absent from his or her county without design to avoid listing his or her property or was prevented by sickness from giving to the county assessor the required statement when called upon for that purpose.~~

SECTION 13. Arkansas Code § 26-26-1113 is amended to read as follows:

26-26-1113. Property used for other than church purposes.

(a) All personal property owned by any church and held for, or used for, commercial, business, rental, or investment purposes or purposes other than church purposes shall be ~~listed for assessment~~ assessed annually for ad valorem tax purposes between the first Monday in January and May 31 of each year.

(b) The church or its governing official or board shall annually ~~list for assessment~~ assess for ad valorem tax purposes all property which is not exempted from the tax under the provisions of this chapter.

(c)(1) The Assessment Coordination Division shall promulgate reasonable rules to effectuate the provisions of this chapter.

(2) The division shall certify to the various county assessors and to each church in this state, upon request therefor, guidelines to be used in ~~listing~~ assessing nonexempt property for assessment under the provisions of this chapter.

SECTION 14. Arkansas Code § 26-26-1202(c)(1), concerning the valuation procedures for the assessment of property for the purpose of property taxes, is amended to read as follows:

(c)(1) Personal property of any description shall be valued at the usual selling price of similar property at the time of ~~listing~~ assessment.

SECTION 15. Arkansas Code § 26-26-1202(e), concerning the valuation procedures for the assessment of property for the purpose of property taxes, is amended to read as follows:

(e) Money, whether in possession or on deposit in this state, or out of it subject to the order or control of the person ~~listing~~ assessing property, shall be ~~entered in the statement~~ assessed at the full amount thereof.

SECTION 16. Arkansas Code § 26-26-1203(b)(1), concerning the valuation of property of merchants for the purpose of property tax, is amended to read as follows:

(b)(1) The property shall be ~~listed~~ assessed for taxation and in estimating the value the ~~merchant~~ county assessor shall take the average value of the property in ~~his or her~~ the merchant's possession or under ~~his or her~~ the merchant's control during the year immediately preceding January 1 of the year in which the assessment is made.

SECTION 17. Arkansas Code §§ 26-26-1204 and 26-26-1205 are amended to read as follows:

26-26-1204. Accounts and notes included in merchant's valuation.

Each merchant ~~in giving a list of value of~~ assessing personal property as provided in § 26-26-1203 shall include in the ~~valuation~~ assessment all good balances of accounts on his or her books and all notes at their true value in money, and the ~~list~~ assessment shall be rendered under oath as prescribed in cases of personal property.

26-26-1205. Manufacturers.

(a) Every person who shall purchase, receive, or hold personal property of any description for the purpose of adding to the value thereof by process of manufacturing, refining, rectifying, or by combination of different materials, with a view of making a gain or profit by so doing, shall be held to be a manufacturer. He or she shall make out and deliver to the county assessor ~~a sworn statement of the amount~~ an assessment of his or

her other personal property subject to taxation, also including in his or her ~~statement~~ assessment the average value, estimated as provided in § 26-26-1203, of all articles purchased, received, or otherwise held for the purpose of being used, in whole or in part, in any process or operation of manufacturing, combining, rectifying, or refining which from time to time he or she shall have on hand during the year next previous to the time of making the ~~statement~~ assessment, if so long he or she shall have been engaged in such manufacturing business, and, if not, then during the time he or she shall have been so engaged.

(b) Every person owning a manufacturing establishment of any kind and every manufacturer shall ~~list~~ assess as a part of his or her manufacturer's stock the value of all engines and machinery of every description, used or designed to be used for the indicated purpose.

SECTION 18. Arkansas Code § 26-26-1602(b)(2), concerning the report of property subject to assessment by utilities and carriers, is amended to read as follows:

(2) Each such company doing business or authorized to do business in Arkansas and owning or having control of property, or owning or having control of property in Arkansas, shall, through its owner, president, secretary, general manager, or agent having control of the company's affairs in this state, on or before March 1 of each year, ~~make a statement in writing to the division showing~~ assess all property subject to assessment and taxation in this state. ~~The statement shall truly show the amount, kind, and value of the property as of January 1 next preceding the filing of the annual statement.~~ However, in the case of motor carriers, the statement and information shall be filed annually with the division on or before March 31.

SECTION 19. Arkansas Code § 26-26-1603(a)(8), concerning the information to be furnished annually to the Arkansas Public Service Commission by a utility or carrier for purpose of the assessment of property tax, is amended to read as follows:

(8) ~~A detailed statement~~ The total value of all real and personal property owned or controlled by the company and situated in Arkansas on January 1 next preceding, ~~giving the description, location, and value thereof,~~ and showing separately that part used in connection with the daily

operations of the company and that part used otherwise, if there is any; and

SECTION 20. Arkansas Code § 26-26-1608 is amended to read as follows:

26-26-1608. Assessment when no report or erroneous report filed.

If any person, firm, company, copartnership, association, or corporation whose assessment is provided for in this subchapter neglects or refuses to make and file with the Tax Division of the Arkansas Public Service Commission by March 1, the ~~statements and schedules~~ information required by this subchapter, or ~~make such report~~ assess property and fails to show or shows erroneously any information called for that is material to the determination of any fact to be ascertained by the division in connection with the amount, description, location, and value of the property required to be assessed, the division shall inform itself as best it can on the undisclosed facts in order to discharge its duties with respect to the assessment of the property of the company and proceed to assess it.

SECTION 21. Arkansas Code § 26-26-1611(1), concerning the method of assignment and apportionment of assessed value by the Tax Division of the Arkansas Public Service Commission with respect to the property of utilities and carriers, is amended to read as follows:

(1) There shall be deducted from the true market or actual value of the entire property, tangible and intangible, ascertained as provided in this subchapter, the true market or actual value as ascertained from the information furnished ~~by report or otherwise~~ or obtained of all real and personal property of the company not used in its business as a public utility, and the remainder shall be treated as the true market or actual value of all its property, tangible or intangible, actually used or employed in its public utility business;

SECTION 22. EFFECTIVE DATE. Sections 1-21 of this act are effective for assessment years beginning on or after January 1, 2026.

Referred requested by the Arkansas House of Representatives

Prepared by: JLL/AMS

