

1 State of Arkansas

2 80th General Assembly

3 Regular Session, 1995

S.J.R.

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4 By: Senators Scott and Mahony

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SENATE JOINT RESOLUTION

8 PROPOSING TO AMEND SECTION 14 OF ARTICLE 16 OF THE
9 ARKANSAS CONSTITUTION TO MODIFY THE PROCEDURE FOR
10 ADJUSTMENT OF PROPERTY TAXES AFTER REAPPRAISAL OR
11 REASSESSMENT.

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Subtitle

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20 BE IT RESOLVED BY THE SENATE OF THE EIGHTIETH GENERAL ASSEMBLY OF THE STATE
21 OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL MEMBERS
22 ELECTED TO EACH HOUSE AGREEING THERETO:

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SECTION 1. Section 14 of Article 16 of the Arkansas Constitution is amended to read as follows:

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"§14. Procedure for adjustment of taxes after reappraisal or reassessment of property.

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(a) Whenever a countywide reappraisal or reassessment of property

1 subject to ad valorem taxes made in accordance with procedures established by
2 the General Assembly shall result in an increase in the aggregate value of
3 taxable real and personal property in any taxing unit in this State of ten
4 percent (10%) or more over the previous year the rate of city or town,
5 county, school district, and community college district taxes levied against
6 the taxable real and personal property of each such taxing unit shall, upon
7 completion of such reappraisal or reassessment, be adjusted or rolled back,
8 by the governing body of the taxing unit, for the year for which levied as
9 provided below. The General Assembly shall, by law, establish the procedures
10 to be followed by a county in making a countywide reappraisal or reassessment
11 of property which will, upon completion, authorize the adjustment or rollback
12 of property tax rates or millage, as authorized hereinabove. The adjustment
13 or rollback of tax rates or millage for the "base year" as hereinafter
14 defined shall be designed to assure that each taxing unit will receive an
15 amount of tax revenue from each tax source no greater than ten percent (10%)
16 above the revenues received during the previous year from each such tax
17 source, adjusted for any lawful tax or millage rate increase or reduction
18 imposed in the manner provided by law for the year for which the tax
19 adjustment or rollback is to be made, and after making the following
20 additional adjustments:

21 (1) By computing the adjusted or rollback millage rates on the basis
22 of the reassessed taxable real and personal property for the base year that
23 will produce an amount of revenue no greater than ten percent (10%) above the
24 revenues produced from the assessed value of real and personal property in
25 the taxing unit from millage rates in effect in the taxing unit during the
26 base year in which the millage adjustment or rollback is to be calculated.

27 (2) In calculating the amount of adjusted or rollback millage necessary
28 to produce tax revenues no greater than ten percent (10%) above the revenues
29 received during the previous year, the governing body shall separate from the
30 assessed value of taxable real and personal property of the taxing unit,
31 newly-discovered real and personal property and new construction and
32 improvements to real property, and shall compute the millage necessary to
33 produce an amount of revenues equal to, but no greater than the base year
34 revenues of the taxing unit from each millage source. Such taxing unit may
35 elect either to obtain an increase in revenues equal to the amount of

1 revenues that the computed or adjusted rollback millage will produce from
2 newly-discovered real property and new construction and improvements to real
3 property, or if the same be less than ten percent (10%), the governing body
4 of the taxing unit may recompute the millage rate to be charged to produce an
5 amount no greater than ten percent (10%) above the revenues collected for
6 taxable real and personal property during the base year.

7 (b) The term _base year_ shall mean the year in which a county
8 completes reassessment and equalization of taxable real and personal property
9 as a part of a statewide reappraisal program, and extends the adjusted or
10 rolled back millage rates for the first time, as provided in subsection (a)
11 of this Section, for the respective taxing units in such county for
12 collection in the following year.

13 (c) The General Assembly shall, by law, provide for procedures to be
14 followed with respect to adjusting ad valorem taxes or millage pledged for
15 bonded indebtedness purposes, to assure that the adjusted or rolled-back rate
16 of tax or millage levied for bonded indebtedness purposes will, at all times,
17 provide a level of income sufficient to meet the current requirements of all
18 principal, interest, paying agent fees, reserves, and other requirements of
19 the bond indenture."

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