

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H1/22/99 H1/27/99 H2/2/99

A Bill

HOUSE BILL 1053

5 By: Representative Milum, *Wilkinson*
6 By: *Senator Hunter*
7

For An Act To Be Entitled

10 "AN ACT TO REDUCE THE REQUIRED RATIO OF ASSESSED VALUE
11 TO MARKET VALUE AS IT RELATES TO AD VALOREM TAXES; AND
12 FOR OTHER PURPOSES. "
13

Subtitle

14 "TO REDUCE THE REQUIRED RATIO OF ASSESSED
15 VALUE TO MARKET VALUE AS IT RELATES TO
16 AD VALOREM TAXES. "
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 26-26-304(c)(4)(D) relating to turnback
23 funds is amended to read as follows:

24 "(D)(i) In accordance with the determination of the final average ratio
25 of assessed values to the true and full market or actual value of all property
26 in any county annually, a portion of all state aid or turnback from all
27 sources accruing to the deficient county, all municipalities and school
28 districts therein during the current fiscal year shall be withheld by the
29 fiscal officials that disburse all state aid or turnback from all sources if
30 the average ratio of assessed value to the true and full market or actual
31 value in any county is certified to be less than ~~eighteen percent (18%)~~
32 fifteen percent (15%) for each assessment year.

33 (ii) The amount to be withheld in each instance shall be that
34 percentage of the total amount of state aid or turnback that would otherwise
35 be paid that is determined by dividing the percentage of the true and full
36 market or actual value outlined above for the respective years into the

1 difference between this percentage and the final average ratio of assessed
2 value in the county as certified by the division on December 31 of each year.

3 (iii) In the event, however, that any unit of government so
4 affected can make proper showing to the division on or after August 1 of the
5 following year that the property in such unit of government is assessed at not
6 less than ~~eighteen percent (18%)~~ fifteen percent (15%) of true and full market
7 or actual value for each assessment year, then upon recertification by the
8 division to the proper fiscal officers of the state, those funds that have
9 been withheld shall be released to the county or taxing unit.

10 (iv) The officials of each unit of government shall have a right
11 to examine the records of the division and discuss any problems that might
12 arise with the proper officers of the division."
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14 SECTION 2. Arkansas Code § 26-26-304(g)(1) relating to turnback funds
15 is amended to read as follows:

16 "(g)(1) In addition to the other provisions of this section, whenever
17 the August 1 ratio for the classifications of market value real estate,
18 personal property (business), or personal property (auto and other) falls
19 below ~~eighteen percent (18%)~~ fifteen percent (15%) or above ~~twenty-two percent~~
20 ~~(22%)~~ nineteen percent (19%) of full fair market value for the second
21 consecutive August 1 ratio study, the county shall be deemed to have failed
22 the ratio study and shall be subject to the penalties and corrective actions
23 outlined in subdivision (c)(4)(D) of this section."
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25 SECTION 3. Arkansas Code 26-26-304(b)(3) is amended to read as follows:

26 "(3) The assessed value of real and personal property in each
27 county shall be placed on the tax record at ~~eighteen percent (18%)~~ seventeen
28 percent (17%) of true and full market or actual value for the assessment year
29 ~~1959-2000 and thereafter at twenty percent (20%) of the true and full market~~
30 ~~or actual value for the assessment year 1960 and subsequent assessment years."~~
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32 SECTION 4. Beginning January 1, 2000, there is hereby levied an
33 additional excise tax of three eighth of one percent (3/8 of 1%) upon all
34 taxable sales of property and services subject to the tax levied by the
35 Arkansas Gross Receipts Act (Arkansas Code 26-52-101 through 26-52-1507). The
36 tax shall be collected, reported, and paid in the same manner and at the same

1 time as is prescribed by the Arkansas Gross Receipts Tax Act for the
2 collection, reporting, and payment of the Arkansas gross receipts tax.

3
4 SECTION 5. Beginning January 1, 2000, there is hereby levied an
5 additional excise tax of three eighth of one percent (3/8 of 1%) upon all
6 tangible personal property subject to the tax levied in the Arkansas
7 Compensating Tax Act (Arkansas Code 26-53-101 through 26-53-303). The tax
8 shall be collected, reported, and paid in the same manner and at the same time
9 as is prescribed by the Arkansas Compensating Tax Act for the collection,
10 reporting and payment of Arkansas compensating taxes.

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12 SECTION 6. (a) The revenues generated by Sections 4 and 5 of this act
13 shall be deposited in the 'Property Tax Relief Fund' hereby created on the
14 books of the Treasurer of State, Auditor of State and the Chief Fiscal Officer
15 of the State.

16 (b) Beginning January 1, 2001, the funds in the Property Tax Relief
17 Fund shall be remitted to the respective county treasurers for allocation and
18 distribution to the various taxing units in the counties which levy ad valorem
19 taxes. Each such taxing unit shall annually receive an amount equal to the
20 difference in the amount of real and personal property ad valorem tax revenues
21 received by the taxing unit in year 2000, based on the year 1999 assessment,
22 and the amount of revenues to be received by the taxing unit in year 2001,
23 based on the 2000 assessment. Funds so received by the various taxing units
24 shall be used for the same purposes and in the same proportions as ad valorem
25 tax revenues lost as a result of the exemptions provided for in this act would
26 have been used if collected.

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28 SECTION 7. The provisions of this act shall be effective on and after
29 January 1, 2000.

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31 SECTION 8. All provisions of this Act of a general and permanent nature
32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
33 Revision Commission shall incorporate the same in the Code.

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35 SECTION 9. If any provision of this Act or the application thereof to
36 any person or circumstance is held invalid, such invalidity shall not affect

1 other provisions or applications of the Act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 Act are declared to be severable.

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5 SECTION 10. All laws and parts of laws in conflict with this Act are
6 hereby repealed.

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/s/ Milum, et al

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