

1 State of Arkansas *As Engrossed: H2/22/99 H3/15/99 H3/19/99 H3/23/99 H3/29/99*  
2 82nd General Assembly  
3 Regular Session, 1999

HJR 1015

4  
5 By: Representatives Courtway, T. Thomas, Kidd, R. Smith, Laverty, T. Smith, Horn, Lynn, *Parks*  
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8 **HOUSE JOINT RESOLUTION**

9 *"PROPOSING A CONSTITUTIONAL AMENDMENT TO PROVIDE*  
10 *PROPERTY TAX RELIEF; TO LIMIT THE INCREASE IN THE*  
11 *ASSESSED VALUE OF A TAXPAYER'S REAL PROPERTY FOR*  
12 *PROPERTY TAX PURPOSES AS A RESULT OF A COUNTY-WIDE*  
13 *REAPPRAISAL; TO PROVIDE A STATE CREDIT OF AT LEAST*  
14 *THREE HUNDRED DOLLARS (\$300) AGAINST AD VALOREM*  
15 *PROPERTY TAX ON A HOMESTEAD; CONCERNING ADJUSTMENT OF*  
16 *PROPERTY TAXES; AND FOR OTHER PURPOSES. "*

17  
18 **Subtitle**

19 "PROPOSING A CONSTITUTIONAL AMENDMENT TO  
20 PROVIDE PROPERTY TAX RELIEF."  
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23 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-SECOND GENERAL  
24 ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL MEMBERS  
25 ELECTED TO EACH HOUSE AGREEING THERETO:  
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27 That the following is hereby proposed as an amendment to the  
28 Constitution of the State of Arkansas, and upon being submitted to the  
29 electors of the state for approval or rejection at the next general election  
30 for Representatives and Senators, if a majority of the electors voting thereon  
31 at such election, adopt such amendment, the same shall become a part of the  
32 Constitution of the State of Arkansas, to wit:  
33

34 SECTION 1. (a) After each county-wide reappraisal, as defined by law,  
35 and the resulting assessed value of property for ad valorem tax purposes and  
36 after each Tax Division appraisal and the resulting assessed value of utility

1 and carrier real property for ad valorem tax purposes, the county assessor, or  
2 other official or officials designated by law, shall compare the assessed  
3 value of each parcel of real property reappraised or reassessed to the prior  
4 year's assessed value. If the assessed value of the parcel increased, then  
5 the assessed value of the parcel shall be adjusted pursuant to this section.

6 (b)(1) If the parcel is not a taxpayer's homestead used as the  
7 taxpayer's principal place of residence, then for the first assessment  
8 following reappraisal, any increase in the assessed value of the parcel shall  
9 be limited to not more than ten percent (10%) of the assessed value of the  
10 parcel for the previous year. In each year thereafter the assessed value  
11 shall increase by an additional ten percent (10%) of the assessed value of the  
12 parcel for the year prior to the first assessment that resulted from  
13 reappraisal but shall not exceed the assessed value determined by the  
14 reappraisal prior to adjustment under this subsection. For utility and  
15 carrier real property, any annual increase in the assessed value of the parcel  
16 shall be limited to not more than ten percent (10%) of the assessed value for  
17 the previous year.

18 (2) This subsection (b) does not apply to newly discovered real  
19 property, new construction, or to substantial improvements to real property.

20 (c)(1) Except as provided in subsection (d), if the parcel is a  
21 taxpayer's homestead used as the taxpayer's principal place of residence then  
22 for the first assessment following reappraisal, any increase in the assessed  
23 value of the parcel shall be limited to not more than five percent (5%) of the  
24 assessed value of the parcel for the previous year. In each year thereafter  
25 the assessed value shall increase by an additional five percent (5%) of the  
26 assessed value of the parcel for the year prior to the first assessment that  
27 resulted from reappraisal but shall not exceed the assessed value determined  
28 by the reappraisal prior to adjustment under this subsection.

29 (2) This subsection (c) does not apply to newly discovered real  
30 property, new construction, or to substantial improvements to real property.

31 (d)(1)(A) A homestead used as the taxpayer's principal place of  
32 residence purchased or constructed on or after January 1, 2001 by a disabled  
33 person or by a person sixty-five (65) years of age or older shall be assessed  
34 thereafter based on the lower of the assessed value as of the date of purchase  
35 or construction or a later assessed value.

36 (B) When a person becomes disabled or reaches sixty-five

1 (65) years of age on or after January 1, 2001, that person's homestead used as  
2 the taxpayer's principal place of residence shall thereafter be assessed based  
3 on the lower of the assessed value on the person's sixty-fifth birthday, on  
4 the date the person becomes disabled or a later assessed value.

5 (C) If a person is disabled or is at least sixty-five (65)  
6 years of age and owns a homestead used as the taxpayer's principal place of  
7 residence on January 1, 2001, the homestead shall be assessed based on the  
8 lower of the assessed value on January 1, 2001 or a later assessed value.

9 (2) Residing in a nursing home shall not disqualify a person from  
10 the benefits of this subsection (d).

11 (3) In instances of joint ownership, if one of the owners  
12 qualifies under this subsection (d), all owners shall receive the benefits of  
13 this amendment.

14 (4) This subsection (d) does not apply to substantial  
15 improvements to real property.

16 (5) For real property that is subject to Section 2 of this  
17 Amendment, in lieu of January 1, 2001, the applicable date for this subsection  
18 (d) shall be January 1 of the year following the completion of the adjustments  
19 to assessed value required by Section 2.

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21 SECTION 2. (a)(1) Section 1 of this Amendment shall not be applicable  
22 to a county in which there has been no county-wide reappraisal, as defined by  
23 law, and resulting assessed value of property between January 1, 1986 and  
24 December 31, 2000. Real property in such a county shall be adjusted according  
25 to the provisions of this section.

26 (2) Upon the completion of the adjustments to assessed value  
27 required by this section each taxpayer of that county shall be entitled to  
28 apply the provision of Section 1 of this Amendment to the real property owned  
29 by them.

30 (b) The county assessor, or other official or officials designated by  
31 law, shall compare the assessed value of each parcel of real property to the  
32 prior year's assessed value. If assessed value of the parcel increased, then  
33 the assessed value of the parcel for the first assessment resulting from  
34 reappraisal shall be adjusted by adding one-third (1/3) of the increase to the  
35 assessed value of the parcel for the previous year. An additional one-third  
36 (1/3) of the increase shall be added in each of the next two (2) years. This

1 adjustment procedure shall not apply to public utility and carrier property.  
2 Public utility and carrier property shall be adjusted pursuant to Section 1.

3 (c) No adjustment shall be made for newly discovered real property, new  
4 construction, or to substantial improvements to real property.

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6 SECTION 3. The General Assembly shall provide by law for an annual  
7 state credit against ad valorem property tax on a homestead in an amount of  
8 not less than three hundred dollars (\$300). The credit shall not exceed the  
9 amount of ad valorem property taxes owed. The credit shall apply beginning  
10 for taxes due in calendar year 2001. This section shall be applied in a  
11 manner that would not impair a bond holder's interest in ad valorem debt  
12 service revenues.

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14 SECTION 4. (a) The General Assembly shall, by law, provide for  
15 procedures to be followed with respect to adjusting ad valorem taxes or  
16 millage pledged for bonded indebtedness purposes, to assure that the tax or  
17 millage levied for bonded indebtedness purposes will, at all times, provide a  
18 level of income sufficient to meet the current requirements of all principal,  
19 interest, paying agent fees, reserves, and other requirements of the bond  
20 indenture.

21 (b) The millage rate levied against taxable personal property and  
22 utility and regulated carrier property in each taxing unit in the state shall  
23 be equal to the millage rate levied against real property in each taxing unit  
24 in the state. Personal property millage rates currently not equal to real  
25 estate millage rates shall be reduced to the level of the real estate millage  
26 rate; except to the extent necessary to provide a level of income sufficient  
27 to meet the current requirements of all principal, interest, paying agent  
28 fees, reserves, and other requirements of the bond indenture.

29 (c) The provisions of this section shall not affect or repeal the  
30 required uniform rate of ad valorem property tax set forth in Amendment 74.

31 (d) The General Assembly may, by law, prescribe the method and means  
32 for reassessing real property and establish the frequency of reassessment.  
33 However, reassessment shall occur at least once every five (5) years.

34 (e) Rollback adjustments under Article 16, Section 14 shall be  
35 determined after the adjustments are made to assessed value under this  
36 Amendment.

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SECTION 5. This amendment shall be effective on January 1, 2001.  
/s/ Courtway, et al