

Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.

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

As Engrossed: H2/23/99 H3/19/99

HJR 1017

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5 By: Representative Teague
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8 HOUSE JOINT RESOLUTION

9 "PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION
10 TO EXEMPT PERSONAL PROPERTY NOT USED FOR BUSINESS
11 PURPOSES FROM AD VALOREM TAXES; TO PROVIDE A THIRTY
12 THOUSAND DOLLAR (\$30,000) EXEMPTION FROM AD VALOREM
13 TAXES FOR THE VALUE OF A RESIDENCE; TO LEVY A THREE-
14 EIGHTHS OF ONE PERCENT (3/8THS OF 1%) SALES AND USE
15 TAX TO REPLACE THE RESULTING LOSS IN REVENUE; AND FOR
16 OTHER PURPOSES. "

17 18 Subtitle

19 "TO EXEMPT CERTAIN PERSONAL PROPERTY FROM
20 AD VALOREM TAXES; TO PROVIDE A \$30,000
21 EXEMPTION FROM AD VALOREM TAXES FOR
22 VALUE OF A RESIDENCE; TO LEVY A 3/8THS
23 OF 1% SALES AND USE TAX TO REPLACE
24 REVENUE LOSS. "

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27 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-SECOND GENERAL
28 ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL MEMBERS
29 ELECTED TO EACH HOUSE AGREEING THERETO:

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31 That the following is hereby proposed as an amendment to the
32 Constitution of the State of Arkansas, and upon being submitted to the
33 electors of the state for approval or rejection at the next general election
34 for Representatives and Senators, if a majority of the electors voting thereon
35 at such election, adopt such amendment, the same shall become a part of the
36 Constitution of the State of Arkansas, to wit:

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SECTION 1. Article 16, § 5 of the Arkansas Constitution is amended to read as follows:

"§ 5. Property taxed according to value - Procedures for valuation - Tax exemptions.

(a) All real and tangible personal property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the General Assembly shall direct, making the same equal and uniform throughout the State. No one species of property for which a tax may be collected shall be taxed higher than another species of property of equal value, except as provided and authorized in Section 15 of this Article, and except as authorized in Section 14 of this Article. The General Assembly, upon the approval thereof by a vote of not less than three-fourths (3/4ths) of the members elected to each house, may establish the methods and procedures for valuation of property for taxation purposes, but may not alter the method of valuation set forth in Section 15 of this Article.

(b) The following property shall be exempt from taxation: tangible personal property which is not used for business purposes; public property used exclusively for public purposes; churches used as such; cemeteries used exclusively as such; school buildings and apparatus; libraries and grounds used exclusively for school purposes; and buildings and grounds and materials used exclusively for public charity.

Nothing in this Section shall affect or repeal the provision of Amendment 57 to the Constitution of the State of Arkansas pertaining to intangible personal property. ~~[Added by Const. Amend. 59.]~~"

SECTION 2. Article 16, § 16 of the Arkansas Constitution is amended to read as follows:

"§ 16. Providing for exemption of value of residence ~~of person 65 or over.~~

The General Assembly, upon approval thereof by a vote of not less than three-fourths (3/4ths) of the members elected to each house, may provide that the valuation of real property actually occupied by its owner as a residence ~~who is sixty-five years of age, or older, may~~ shall be exempt in such the amount as may be determined by law, but no greater than the first of twenty thirty thousand dollars (\$30,000) in value thereof, as a homestead from ad

1 valorem property taxes. [~~Added by Const. Amend. 59.~~]"

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3 SECTION 3. Beginning January 1, 2001, there is hereby levied an
4 additional excise tax of three-eighths of one percent (3/8ths of 1%) upon all
5 taxable sales of property and services subject to the tax levied by the
6 Arkansas Gross Receipts Act (Arkansas Code 26-52-101 through 26-52-1507). The
7 tax shall be collected, reported, and paid in the same manner and at the same
8 time as is prescribed by the Arkansas Gross Receipts Tax Act for the
9 collection, reporting and payment of the Arkansas gross receipts tax.

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11 SECTION 4. Beginning January 1, 2001, there is hereby levied an
12 additional excise tax of three-eighths of one percent (3/8ths of 1%) upon all
13 tangible personal property subject to the tax levied by the Arkansas
14 Compensating Tax Act (Arkansas Code 26-53-101 through 26-53-303). The tax
15 shall be collected, reported, and paid in the same manner and at the same time
16 as is prescribed by the Arkansas Compensating Tax Act for the collection,
17 reporting and payment of the Arkansas compensating taxes.

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19 SECTION 5. (a)(1) On or before January 1, 2002 and each January 1
20 thereafter, each county collector shall calculate the lost real property tax
21 revenue of the county and each school district, city, and any other taxing
22 unit within the county for the previous calendar year and shall certify that
23 sum to the Chief Fiscal Officer of the State. On the last day of each month
24 in a calendar year beginning January 30, 2002, the Chief Fiscal Officer shall
25 certify one-twelfth (1/12) of such amount to the State Treasurer who shall
26 distribute such amount from General Revenues to the county collector. The
27 county collector shall allocate and distribute the funds to the various taxing
28 units in accordance with the lost revenue calculations.

29 (2) For purposes of this section, the term "lost real property
30 tax revenue" means the difference between the total amount of real property
31 taxes which would have been billed during the previous calendar year but for
32 the exemptions granted by this amendment, and the amount of real property
33 taxes which were actually billed during the previous calendar year by the
34 county collector on behalf of the county and all taxing units within the
35 county.

36 (b) In addition, beginning January 1, 2002, each taxing unit shall

1 annually receive from general revenues an amount equal to the difference in
2 the total amount of personal property taxes billed by the taxing unit in year
3 2001 and the total amount of personal property taxes to be billed by the
4 taxing unit in year 2002. For taxable years beginning on and after January 1,
5 2003, the amount reimbursed to the local taxing units shall be increased in an
6 amount equal to the consumer price index (CPI) for the preceding tax year.

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8 SECTION 6. The General Assembly shall enact laws necessary to implement
9 this amendment.

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11 SECTION 7. The provisions of this amendment shall be effective on and
12 after January 1, 2001.

13 /s/ Teague
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