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82nd General Assembly

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SJR 12

By: Senator Scott

By: Representatives T. Thomas, Wilkinson, Madison, Rackley, Bledsoe, Agee, Hausam

SENATE JOINT RESOLUTION

"PROPOSING A CONSTITUTIONAL AMENDMENT TO PROVIDE
PROPERTY TAX RELIEF. "

Subtitle

"PROPOSING A CONSTITUTIONAL AMENDMENT TO
PROVIDE PROPERTY TAX RELIEF. "

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

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

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

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

~~(a) Whenever a countywide reappraisal or reassessment of property~~
~~subject to ad valorem taxes made in accordance with procedures established by~~
~~the General Assembly shall result in an increase in the aggregate value of~~
~~taxable real and personal property in any taxing unit in this State of ten~~

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

17 ~~(i) By excluding from such calculation the assessed value of, and taxes~~
18 ~~derived from, tangible personal property assessed in the taxing unit, and all~~
19 ~~real and tangible personal property of public utilities and regulated carriers~~
20 ~~assessed in the taxing unit, and~~

21 ~~(ii) By computing the adjusted or rollback millage rates on the basis of~~
22 ~~the reassessed taxable real property for the base year that will produce an~~
23 ~~amount of revenue no greater than ten percent (10%) above the revenues~~
24 ~~produced from the assessed value of real property in the taxing unit (after~~
25 ~~making the aforementioned adjustments for personal properties and properties~~
26 ~~of public utilities and regulated carriers noted above) from millage rates in~~
27 ~~effect in the taxing unit during the base year in which the millage adjustment~~
28 ~~or rollback is to be calculated. Provided, further, that in calculating the~~
29 ~~amount of adjusted or rollback millage necessary to produce tax revenues no~~
30 ~~greater than ten percent (10%) above the revenues received during the previous~~
31 ~~year, the governing body shall separate from the assessed value of taxable~~
32 ~~real property of the taxing unit, newly-discovered real property and new~~
33 ~~construction and improvements to real property, after making the adjustments~~
34 ~~for personal property or property of public utilities and regulated carriers~~
35 ~~noted above, and shall compute the millage necessary to produce an amount of~~
36 ~~revenues equal to, but no greater than the base year revenues of the taxing~~

~~unit from each millage source. Such taxing unit may elect either to obtain an increase in revenues equal to the amount of revenues that the computed or adjusted rollback millage will produce from newly-discovered real property and new construction and improvements to real property, or if the same be less than ten percent (10%), the governing body of the taxing unit may recompute the millage rate to be charged to produce an amount no greater than ten percent (10%) above the revenues collected for taxable real property during the base year.~~

~~Provided, however, that the amount of revenues to be derived from taxable personal property assessed in the taxing unit for the base year, other than personal property taxes to be paid by public utilities and regulated carriers in the manner provided hereinabove, shall be computed at the millage necessary to produce the same dollar amount of revenues derived during the current year in which the base year adjustment or rollback of millage is computed, and the millage necessary to produce the amount of revenues received from personal property taxes received by the taxing unit, for the base year shall be reduced annually as the assessed value of taxable personal property increases until the amount of revenues from personal property taxes, computed on the basis of the current year millage rates will produce an amount of revenues from taxable personal property equal to or greater than received during the base year, and thereafter the millage rates for computing personal property taxes shall be the millage rates levied for the current year.~~

~~Provided, however, that the taxes to be paid by public utilities and regulated carriers in the respective taxing units of the several counties of this State during the first five (5) calendar years in which taxes are levied on the taxable real and personal property as reassessed and equalized in each of the respective counties as a part of a statewide reappraisal program, shall be the greater of the following:~~

~~(1) The amount of taxes paid on property owned by such public utilities or regulated carriers in or assigned to such taxing unit, less adjustments for properties disposed of or reductions in the assessed valuation of such properties in the base year as defined below, or~~

~~(2) The amount of taxes due on the assessed valuation of taxable real and tangible personal property belonging to the public utilities or regulated carriers located in or assigned to the taxing unit in each county at millage rates levied for the current year.~~

~~As used herein, the term "base year" shall mean the year in which a county completes reassessment and equalization of taxable real and personal property as a part of a statewide reappraisal program, and extends the adjusted or rolled back millage rates for the first time, as provided in subsection (a) of this Section, for the respective taxing units in such county for collection in the following year.~~

~~(i) In the event the amount of taxes paid the taxing unit in a county in the base year, as defined herein, is greater than the taxes due to be paid to such taxing unit for the current year of any year of the second (2nd) period of five (5) years after the base year, the difference between the base year taxes and the current year taxes for any year of such five (5) year period shall be adjusted as follows:~~

Current year of	Taxes shall be current year taxes
second period of (5)	to which shall be added the
years	following percentage of the
	difference between the current
	year taxes and the base year taxes
	(if greater than current year taxes)
1st year	80% of difference
2nd year	60% of difference
3rd year	40% of difference
4th year	20% of difference
5th year and thereafter	Current years taxes only.

~~(ii) If the current year taxes of a public utility or regulated carrier equal or exceed the base years taxes due a taxing unit during any year of the first ten (10) years after the base year, the amount of taxes to be paid to such taxing unit shall thereafter be the current years taxes and the adjustment authorized herein shall no longer apply in computing taxes to be paid to such taxing unit.~~

~~Provided, that in the event the aforementioned requirement for payment of taxes by public utilities and regulated carriers, or any class of utilities or carriers for the ten (10) year period noted above, shall be held by court decision to be contrary to the constitution or statutes of this State or of the Federal Government, the General Assembly may provide for other utilities or classes of carriers to receive the same treatment provided or required under the court order, if deemed necessary to promote equity between similar~~

1 ~~utilities or classes of carriers.~~

2 (a) Each year the county clerk or other county official designated by
3 ordinance of the Quorum Court as the preparer of the tax books shall compare
4 the aggregate value of taxable real and personal property in each taxing unit
5 in the County of their jurisdiction to the aggregate value of taxable real and
6 personal property of the previous year. Whenever the aggregate value of
7 taxable and real and personal property in any taxing unit in this State is at
8 least ten percent (10%) over the aggregate value for the previous year, the
9 rate of city or town, county, school district, and community college district
10 taxes levied against the taxable real and personal property of each such
11 taxing unit shall be adjusted downward or rolled back by the preparer of the
12 tax books, for the year for which levied as provided below. The adjustment or
13 rollback of tax rates or millage shall be designed to assure that each taxing
14 unit will receive an amount of tax revenue increase from each tax source no
15 greater than ten percent (10%) above the revenues received during the previous
16 year from each such tax source, adjusted for any lawful tax or millage rate
17 increase or reduction imposed in the manner provided by law for the year for
18 which the tax adjustment or rollback is to be made, and adjusted for any
19 lawful tax or millage rate minimum requirement as set out in Amendment 74 to
20 the Arkansas Constitution and after making the following additional
21 adjustment:

22 (1) By excluding from such calculation the assessed value of, and
23 taxes derived from, all real and tangible personal property of public
24 utilities and carriers assessed in the taxing unit.

25 (2) In calculating the amount of adjusted or rollback millage
26 necessary to produce tax revenue increases no greater than ten percent (10%)
27 above the revenues received during the previous year, the county clerk or
28 other county official designated by the Quorum Court shall separate from the
29 assessed value of taxable real property of the taxing unit, newly-discovered
30 real property and new construction and improvements to real property and shall
31 compute the millage necessary to produce an amount of revenues equal to the
32 revenues of the taxing unit from each millage source plus not more than ten
33 percent (10%) above the revenues received during the previous year. Revenues
34 to be derived from newly-discovered real property and new construction and
35 improvements to real property shall be in addition to the ten percent (10%)
36 revenue increases noted above. The calculated millage rate as adjusted shall

1 apply to all taxable property including the property of public utilities and
2 carriers.

3 (b) The General Assembly shall, by law, provide for procedures to be
4 followed with respect to adjusting ad valorem taxes or millage pledged for
5 bonded indebtedness purposes, to assure that the adjusted or rolled-back rate
6 of tax or millage levied for bonded indebtedness purposes will, at all times,
7 provide a level of income sufficient to meet the current requirements of all
8 principal, interest, paying agent fees, reserves, and other requirements of
9 the bond indenture. ~~[Added by Const. Amend. 59.]~~

10 (c) The millage rate levied against taxable personal property and
11 utility and regulated carrier property in each taxing unit in the state shall
12 be equal to the millage rate levied against real property in each taxing unit
13 in the state. Personal property millage rates currently not equal to real
14 estate millage rates shall be reduced to the level of the real estate millage
15 rate.

16 (d)(1) Each county in the State of Arkansas shall be required to
17 appraise all market value real estate normally assessed by the county assessor
18 at its full and fair value at a minimum of once every three (3) years.

19 (2) The county assessor, or other official or officials
20 designated by law, shall compare the assessed value of each parcel under a
21 reappraisal or reassessment which is completed in the year 2001 or later, to
22 the assessed value of the parcel for the previous year. If the assessed value
23 of the parcel changed, then any increase or decrease in the assessed value of
24 the parcel shall be phased in over three (3) years in equal amounts. If the
25 assessed value of the parcel increased, then the assessed value of the parcel
26 for the year in which the parcel is reappraised or reassessed shall be
27 adjusted by adding one-third (1/3) of the increase to the assessed value for
28 the year prior to reappraisal or reassessment. An additional one-third (1/3)
29 of the increase shall be added in each of the next two (2) years. If the
30 assessed value of the parcel decreased, then the assessed value of the parcel
31 for the year in which the parcel is reappraised or reassessed shall be
32 adjusted by subtracting one-third (1/3) of the decrease to the assessed value
33 for the year prior to reappraisal or reassessment. An additional one-third
34 (1/3) of the decrease shall be subtracted in each of the next two (2) years.

35 (e) The provisions of this section shall not affect or repeal the
36 required uniform rate of ad valorem property tax set forth in Amendment 74."

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

4 "§ 16. (a) Providing for exemption of value of residence of person 65
5 or over.

6 The General Assembly, upon approval thereof by a vote of not less than
7 three-fourths (3/4ths) of the members elected to each house, may provide that
8 the valuation of real property actually occupied by its owner as a residence
9 who is sixty-five (65) years of age, or older, may be exempt in such amount as
10 may be determined by law, but no greater than the first twenty thousand
11 dollars (\$20,000) in value thereof, as a homestead from ad valorem property
12 taxes. ~~[Added by Const. Amend. 59.]~~

13 (b)(1) The term 'homestead' as used in this subsection (b) shall mean a
14 dwelling of a person who is sixty-five (65) years of age or older, which is
15 used as his or her principal place of abode, and land contiguous thereto
16 (excluding all land valued as agricultural land, pasture land and timber
17 land), owned by one claiming the homestead exemption or by one claiming the
18 homestead exemption who has placed the dwelling and contiguous land in a
19 living trust.

20 (2) Real property purchased after or owned on January 1, 2001
21 which is a 'homestead', shall be taxed thereafter based on the lower of the
22 assessed value as of that date, or as of the date of purchase or a later
23 assessed value.

24 (3) When a person reaches sixty-five (65) years of age on or
25 after January 1, 2001, that person's 'homestead' shall thereafter be taxed
26 based on the lower of the assessed value on the person's sixty-fifth (65th)
27 birthday or a later assessed value.

28 (4) However, substantial improvements to a 'homestead' shall
29 increase the assessed value but ordinary repair and maintenance of the
30 property shall not increase the assessed value.

31 (5) Residing in a nursing home shall not disqualify a person from
32 the benefits of this amendment.

33 (6) The General Assembly may enact any laws it deems necessary to
34 implement this amendment."

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36 SECTION 3. This amendment applies to property taxes due after December

1 31, 2000.

2 /s/ Scott

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