

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

1 State of Arkansas As Engrossed: S2/19/99 S3/17/99 S3/19/99

2 82nd General Assembly

3 Regular Session, 1999

SJR 13

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5 By: Senators Beebe, Harriman

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SENATE JOINT RESOLUTION

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"PROPOSING A CONSTITUTIONAL AMENDMENT TO PROVIDE

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PROPERTY TAX RELIEF; TO LIMIT THE INCREASE IN THE

11

ASSESSED VALUE OF A TAXPAYER'S REAL PROPERTY FOR

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PROPERTY TAX PURPOSES AS A RESULT OF A COUNTY-WIDE

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REAPPRAISAL; TO PROVIDE A STATE CREDIT OF AT LEAST

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THREE HUNDRED DOLLARS (\$300) AGAINST AD VALOREM

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PROPERTY TAX ON A HOMESTEAD; CONCERNING ADJUSTMENT OF

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PROPERTY TAXES; AND FOR OTHER PURPOSES. "

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Subtitle

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"PROPOSING A CONSTITUTIONAL AMENDMENT TO

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PROVIDE PROPERTY TAX RELIEF. "

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BE IT RESOLVED BY THE SENATE OF THE EIGHTY-SECOND GENERAL ASSEMBLY OF THE

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STATE OF ARKANSAS AND BY THE HOUSE OF REPRESENTATIVES, A MAJORITY OF ALL

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MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

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That the following is hereby proposed as an amendment to the

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Constitution of the State of Arkansas, and upon being submitted to the

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electors of the state for approval or rejection at the next general election

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for Senators and Representatives, if a majority of the electors voting thereon

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at such election, adopt such amendment, the same shall become a part of the

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Constitution of the State of Arkansas, to wit:

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SECTION 1. (a) After each county-wide reappraisal, as defined by law,

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and the resulting assessed value of property for ad valorem tax purposes and

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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 person
33 sixty-five (65) years of age or older shall be assessed thereafter based on
34 the lower of the assessed value as of the date of purchase or construction or
35 a later assessed value.

36 (B) When a person reaches sixty-five (65) years of age on

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

5 (C) If a person is at least sixty-five (65) years of age
6 and owns a homestead used as the taxpayer's principal place of residence on
7 January 1, 2001, the homestead shall be assessed based on the lower of the
8 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 a state credit
7 against ad valorem property tax on a homestead in an amount of not less than
8 three hundred dollars (\$300).

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

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

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

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

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31 SECTION 5. This amendment shall be effective on January 1, 2001.

32 /s/ Beebe