

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

A Bill

SENATE BILL 1090

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5 By: Senator Argue
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For An Act To Be Entitled

9 AN ACT TO IMPROVE THE VALUATION PROCESS FOR
10 AGRICULTURAL, PASTURE, AND TIMBER LAND IN ORDER
11 TO MORE ACCURATELY REFLECT PROPERTY VALUE AND TO
12 PRODUCE ADDITIONAL REVENUES FOR PUBLIC SCHOOL
13 DISTRICTS AND COUNTIES; AND FOR OTHER PURPOSES.
14

Subtitle

15 TO IMPROVE THE VALUATION PROCESS FOR
16 AGRICULTURAL, PASTURE, AND TIMBER LAND
17 IN ORDER TO MORE ACCURATELY REFLECT
18 VALUE AND TO PRODUCE ADDITIONAL REVENUES
19 FOR PUBLIC SCHOOL DISTRICTS AND
20 COUNTIES.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 26-26-407(e), concerning the valuation of
27 agricultural, pasture, and timber land, is amended to read as follows:

28 (e)(1) ~~The Assessment Coordination Division of the Arkansas Public~~
29 ~~Service Commission Department~~, in devising and developing methods of
30 assessing and levying the ad valorem property tax on real property, shall
31 develop and publish tables and other data which shall be used by county
32 assessors for assessing lands qualifying under the provisions of this
33 subchapter.

34 (2)(A) Effective for assessment years beginning January 1, 2006,
35 and every third year thereafter, the department shall update the valuation
36 tables for assessing lands qualifying as agricultural land, pasture land, and



1 timber land.

2 (B) Beginning January 1, 2006, when there is a countywide
3 reappraisal, counties shall assess agricultural land, pasture land, and
4 timber land based upon the updated values issued for the assessment year.

5 (3)(A) Effective for assessment years beginning January 1, 2006,
6 the department by rule shall develop appropriate formulas reflecting the
7 productivity valuation of the land based upon income capability attributable
8 to agricultural land, pasture land, and timber land soils.

9 (B)(i) The department shall use a discount rate of eight
10 percent (8%) to estimate the value of agricultural land, pasture land, and
11 timber land.

12 (ii) Beginning January 1, 2006, and every third year
13 thereafter, the department may adjust the discount rate based upon prevailing
14 mortgage interest rates, but under no circumstances shall the department
15 adjust the discount rate below six percent (6%) or above ten percent (10%).

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