

State of Arkansas
85th General Assembly
Regular Session, 2005

A Bill

SENATE BILL 1147

By: Senator Hendren

For An Act To Be Entitled

AN ACT TO AMEND THE LAWS CONCERNING THE
ASSESSMENT OF PROPERTY TO DEFINE TERMS USED IN
AMENDMENT 79 OF THE ARKANSAS CONSTITUTION; AND
FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAWS CONCERNING THE
ASSESSMENT OF PROPERTY TO DEFINE TERMS
USED IN AMENDMENT 79 OF THE ARKANSAS
CONSTITUTION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-26-1118 is amended to read as follows:

26-26-1118. Limitation on increase of property's assessed value.

(a)(1) Effective with the assessment year 2000 and thereafter, the amount of real property taxes assessed on the homestead of each property owner shall be reduced by three hundred dollars (\$300), provided that no assessment shall be reduced to less than zero (\$0.00).

(2) Each property owner shall pay the reduced tax amount to the county.

(3) The tax reduction adopted by this section shall be reflected on the tax bill sent to the property owner by the county collector.

(4) The county and taxing units within the county shall be entitled to reimbursement of the reduction in accordance with § 26-26-310.

~~(b) The term "homestead", as used in this section, means the dwelling of a person which is used as his or her principal place of residence and land~~



~~contiguous thereto, excluding all land valued as agricultural land, pasture land, or timber land. The term "homestead" shall also include a dwelling owned by a revocable trust and used as the principal place of residence of a person who formed the trust.~~

(e)(b)(1) Each county assessor shall be responsible for identifying those parcels of real property that are used as a homestead residence prior to issuing tax bills.

(2)(A) Each property owner shall register with the county assessor proof of eligibility for the property tax credit if the property owner intends to claim a property tax credit.

(B)(i) The registration may be attached to the deed or other instrument conveying an interest in real property and filed with the circuit clerk, who shall remit the registration to the county assessor.

(ii) The registration form shall not be filed by the circuit clerk.

(C) The property owner may submit a registration for property tax credit directly to the county assessor.

(3) In no event shall the property tax credit authorized by subdivision (a)(1) of this section be allowed after ~~October 31~~ October 10 of the year after the assessment.

(4)(A) A parcel of real estate shall qualify as a homestead prior to January 1 of the year after assessment to be eligible for the property tax credit.

(B) Once a parcel of real property is determined to be eligible for the property tax credit, the parcel shall remain eligible for that year regardless of a change in the use of the property during the year.

(5)(A) The parties to a transfer of property may prorate, as between themselves, the property tax credit and the benefits of the credit by agreement of the parties.

(B) If a property qualifies for the tax credit, the credit shall apply regardless of who or what entity pays the property tax.

(6)(A) When property is transferred, the purchaser of the property shall notify the county assessor of the new use of the property.

(B) The notification may be by affidavit provided by the purchaser of the real property or on a form provided by the county assessor.

~~(d)(1) "Property owner", as used in this section, means a person who~~

1 is:

2 ~~(A) The owner of record of the real property or the~~
3 ~~mortgagee of the property;~~

4 ~~(B) A buyer under a recorded contract to purchase the real~~
5 ~~property; or~~

6 ~~(C) A person holding a recorded life estate in the real~~
7 ~~property.~~

8 ~~(2) "Property owner" under this section shall include the~~
9 ~~previous record owner of tax delinquent property that has vested in the state~~
10 ~~in care of the Commissioner of State Lands under § 26-37-101(e) if the~~
11 ~~previous record owner continues to occupy the residence subject to his or her~~
12 ~~right of redemption.~~

13
14 SECTION 2. Arkansas Code Title 26, Chapter 26, Subchapter 11 is
15 amended to add an additional section to read as follows:

16 26-26-1122. Definitions.

17 (a) As used in this subchapter and in the Arkansas Constitution,
18 Amendment 79:

19 (1)(A) "Homestead" means the dwelling of a person that is used
20 as his or her principal place of residence with the contiguous land,
21 excluding all land valued as agricultural land, pasture land, or timber land.

22 (B) "Homestead" shall also include a dwelling owned by a
23 revocable trust and used as the principal place of residence of a person who
24 formed the trust;

25 (2) "New construction" means changes to property that have
26 occurred to property already on the assessment roll;

27 (3) "Newly discovered real property" means property that has
28 never been on the assessment roll or that has changed use; and

29 (4)(A) "Property owner" means a person who is:

30 (i) The owner of record of the real property or the
31 mortgagee of the property;

32 (ii) A buyer under a recorded contract to purchase
33 the real property; or

34 (iii) A person holding a recorded life estate in the
35 real property.

36 (B) "Property owner" shall include the previous record

1 owner of tax-delinquent property that has vested in the State of Arkansas in
2 care of the Commissioner of State Lands under § 26-37-101(c) if the previous
3 record owner continues to occupy the residence subject to his or her right of
4 redemption.

5 (b) The Assessment Coordination Department may by rule define the term
6 "substantial improvements" and any other terms necessary to administer this
7 subchapter.

8
9 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
10 General Assembly of the State of Arkansas that there are many terms used in
11 Amendment 79 of the Arkansas Constitution that are not defined; that
12 Amendment 79 gives the General Assembly the authority to implement the
13 provisions of that amendment; that for uniformity and clarity certain terms
14 should be defined; and that this act accomplishes this purpose. Therefore, an
15 emergency is declared to exist and this act being immediately necessary for
16 the preservation of the public peace, health, and safety shall become
17 effective on:

18 (1) The date of its approval by the Governor;

19 (2) If the bill is neither approved nor vetoed by the Governor,
20 the expiration of the period of time during which the Governor may veto the
21 bill; or

22 (3) If the bill is vetoed by the Governor and the veto is
23 overridden, the date the last house overrides the veto.