

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/14/07

A Bill

HOUSE BILL 2420

5 By: Representatives Petrus, Lovell
6 By: *Senator Glover*
7

For An Act To Be Entitled

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

Subtitle

18 TO IMPROVE THE VALUATION PROCESS FOR
19 AGRICULTURAL LAND, PASTURE LAND, AND
20 TIMBER LAND IN ORDER TO MORE ACCURATELY
21 REFLECT PROPERTY VALUE AND TO PRODUCE
22 ADDITIONAL REVENUES FOR PUBLIC SCHOOL
23 DISTRICTS AND COUNTIES.

24
25
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code § 26-26-407(e), concerning the valuation of
29 agricultural land, pasture land, and timber land, is amended to read as
30 follows:

31 (e)(1) In devising and developing methods of assessing and levying the
32 ad valorem property tax on real property, the Assessment Coordination
33 Department shall annually develop and publish valuation tables and other data
34 which shall be used by county assessors for assessing lands qualifying under
35 the provisions of this subchapter.

36 (2)(A) Effective for assessment years beginning January 1, 2008,



1 and every year thereafter, the department shall update the valuation tables
2 for assessing lands qualifying as agricultural land, pasture land, and timber
3 land in time for counties to use the updated tables when they finish their
4 countywide reappraisals.

5 (B) Beginning January 1, 2008, when there is a countywide
6 reappraisal, a county shall assess agricultural land, pasture land, and
7 timber land based upon the updated values in the valuation tables issued for
8 the assessment year.

9 (3)(A) Effective for assessment years beginning January 1, 2008,
10 the department by rule shall develop appropriate formulas reflecting the
11 productivity valuation of the land based upon income capability attributable
12 to agricultural land, pasture land, and timber land soils.

13 (B) Beginning January 1, 2008, and every year thereafter,
14 the department shall develop and calculate capitalization rates by using
15 appropriate long-term federal security rates, risk rates, management rates,
16 and other appropriate financial rates.

17 (C) However, the capitalization rate developed under
18 subdivision (e)(3)(B) of this section shall not be less than eight percent
19 (8%) nor more than twelve percent (12%).

20 (4) By October 15 of each year, the department shall report to
21 the Legislative Council any changes to any part of the formula used to
22 determine the value or the capitalization rate.

23
24 *SECTION 2. Arkansas Code § 26-26-1116 is repealed.*

25 ~~*26-26-1116. Land modification.*~~

26 ~~*(a) The Assessment Coordination Department shall not modify the value*~~
27 ~~*of agricultural land, timber land, or pasture land unless it conducts at*~~
28 ~~*least one (1) public hearing in each congressional district of this state*~~
29 ~~*with the last public hearing occurring no later than six (6) months prior to*~~
30 ~~*the date of the modification.*~~

31 ~~*(b) The department shall provide written justification for any*~~
32 ~~*modification of the value of agricultural land, timber land, or pasture land.*~~

33
34 */s/ Petrus, et al*