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	As Engrossed: H3/14/07 S3/29/07	
2	86th General Assembly	A Bill	
3	Regular Session, 2007HOUSE BILL24		HOUSE BILL 2420
4			
5	By: Representatives Petrus, I	Lovell	
6	By: Senator Glover		
7			
8			
9	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 FOR OTHER PURPOSES.	
14			
15		Subtitle	
16	TO II	MPROVE THE VALUATION PROCESS FOR	
17	AGRICULTURAL LAND, PASTURE LAND, AND		
18	TIMBER LAND IN ORDER TO MORE ACCURATELY		
19	REFL	ECT PROPERTY VALUE.	
20			
21			
22	BE IT ENACTED BY THE G	GENERAL ASSEMBLY OF THE STATE OF A	RKANSAS:
23			
24	SECTION 1. Arka	ansas Code § 26-26-407(e), concern	ing the valuation of
25	agricultural land, pas	sture land, and timber land, is am	nended to read as
26	follows:		
27	(e) <u>(l)</u> In devis	sing and developing methods of ass	essing and levying the
28	ad valorem property ta	ax on real property, the Assessmen	t Coordination
29	Department shall <u>annually</u> develop and publish <u>valuation</u> tables and other data		
30	which shall be used by county assessors for assessing lands qualifying under		
31	the provisions of this subchapter.		
32	<u>(2)(A)</u> Ef	fective for assessment years begi	nning January 1, 2008,
33	and every year thereaf	fter, the department shall update	the valuation tables
34	for assessing lands qu	alifying as agricultural land, pa	sture land, and timber
35	land in time for count	ties to use the updated tables whe	en they finish their
36	<u>countywide reappraisal</u>	<u>_S.</u>	



1	(B) Beginning January 1, 2008, when there is a countywide		
2	reappraisal, a county shall assess agricultural land, pasture land, and		
3	timber land based upon the updated values in the valuation tables issued for		
4	the assessment year.		
5	(3)(A) Effective for assessment years beginning January 1, 2008,		
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) Beginning January 1, 2008, and every year thereafter,		
10	the department shall develop and calculate capitalization rates by using		
11	appropriate long-term federal security rates, risk rates, management rates,		
12	and other appropriate financial rates.		
13	(C) However, the capitalization rate developed under		
14	subdivision (e)(3)(B) of this section shall not be less than eight percent		
15	(8%) nor more than twelve percent (12%).		
16	(4) By October 15 of each year, the department shall report to		
17	the Legislative Council any changes to any part of the formula used to		
18	determine the value or the capitalization rate.		
19			
20	SECTION 2. Arkansas Code § 26-26-1116 is repealed.		
21	<del>26-26-1116. Land modification.</del>		
22	(a) The Assessment Coordination Department shall not modify the value		
23	of agricultural land, timber land, or pasture land unless it conducts at		
24	least one (1) public hearing in each congressional district of this state		
25	with the last public hearing occurring no later than six (6) months prior to		
26	the date of the modification.		
27	(b) The department shall provide written justification for any		
28	modification of the value of agricultural land, timber land, or pasture land.		
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30	/s/ Petrus		
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