1 State of Arkansas

A Bill

2 87th General Assembly

3 Regular Session, 2009   HOUSE BILL 1841

4

5 By: Representative Maloch

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8 ## For An Act To Be Entitled

9   AN ACT TO CLARIFY THAT A NONPRODUCING MINERAL

10   INTEREST HAS NO DISCERNABLE VALUE APART FROM THE

11   VALUE OF THE FEE SIMPLE IN THE LAND FOR THE

12   PURPOSE OF ASSESSMENT; AND OTHER PURPOSES.

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14 ## Subtitle

15   TO CLARIFY THAT A NONPRODUCING MINERAL

16   INTEREST HAS NO DISCERNABLE VALUE APART

17   FROM THE VALUE OF THE FEE SIMPLE IN THE

18   LAND FOR THE PURPOSE OF ASSESSMENT.

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

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23   SECTION 1. Arkansas Code § 26-26-1110, concerning the value of

24 nonproducing mineral rights, is amended to add an additional subsection to

25 read as follows:

26   (c)(1) Because of the difficulty of ascertaining the value of a

27 nonproducing mineral right and in order to insure equal and uniform taxation

28 throughout the State, a nonproducing mineral right has zero (0) value for the

29 purpose of property tax assessment, and is included in the value of the fee

30 simple interest assessed.

31   (2) If the fee simple in the land and the nonproducing mineral

32 right that has zero (0) value as determined under subdivision (c)(1) of this

33 section are owned by different persons, there is no property tax due on the

34 mineral right.

35   (3) For a nonproducing mineral right that has zero (0) value as

36 determined under subdivision (c)(1) of this section, the mineral right owner

1 may agree to a voluntary property tax assessment of the mineral right and pay

2 a property tax according to rules established by the Assessment Coordination

3 Division with the assistance of the Arkansas Assessors Association.

4   (4) When a nonproducing mineral right begins producing minerals,

5 the mineral right shall be assessed for tax purposes in accordance with rules

6 established by the Assessment Coordination Division.

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8   SECTION 2. Effective date. Section 1 of this act is effective for the

9 assessment year 2009 and thereafter.

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