

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

SENATE BILL 756

By: Senators Hester, B. Pierce, J. Hendren, Files

By: Representative Bragg

## For An Act To Be Entitled

AN ACT TO AMEND THE PROPERTY TAX LAWS CONCERNING OFF-  
PREMISES ADVERTISING SIGNS; TO PROVIDE A VALUATION  
METHOD FOR DETERMINING THE MARKET VALUE OF OFF-  
PREMISES ADVERTISING SIGNS; TO PREVENT ADMINISTRATIVE  
AND REGULATORY TAX INCREASES; TO RESERVE WITHIN DULY  
ELECTED LEGISLATIVE BODIES THE RIGHT AND POWER TO  
ESTABLISH AND MODIFY TAX RATES; AND FOR OTHER  
PURPOSES.

## Subtitle

TO PROVIDE A VALUATION METHOD FOR  
DETERMINING THE MARKET VALUE OF OFF-  
PREMISES ADVERTISING SIGNS; TO PREVENT  
ADMINISTRATIVE TAX INCREASES; AND TO  
RESERVE WITHIN LEGISLATIVE BODIES THE  
POWER TO SET TAX RATES.

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

SECTION 1. Arkansas Code § 26-3-302 is amended to read as follows:  
26-3-302. Intangible personalty.

(a) All intangible personal property in this state ~~shall be~~ is exempt  
from all ad valorem tax levies of counties, cities, and school districts in  
the state.

(b) Intangible personal property includes without limitation a permit  
or license required to place, operate, or maintain at a specific location one



(1) or more structures or fixtures and the value associated with the permit or license to place, operate, or maintain at a specific location the structures or fixtures.

~~(b)~~ (c) The exemption provided in this section ~~shall be applicable~~ applies with respect to the assessment and taxation of intangible personal property on and after January 1, 1976, and ~~no~~ ad valorem taxes shall not be assessed or collected on ~~such~~ intangible personal property for any period after January 1, 1976.

SECTION 2. Arkansas Code § 26-26-1202, concerning valuation procedures for purposes of property taxes, is amended to add an additional subsection to read as follows:

(i)(1)(A) The market value of an off-premises advertising sign shall be determined using the cost approach to avoid the inclusion of exempt intangible personal property in the valuation.

(B) The market value of an off-premises advertising sign shall not be determined using the income approach or the sales comparison approach.

(2) An adjustment shall not be made for the traffic count or other factors relating to the location of an off-premises advertising sign in determining the market value of an off-premises advertising sign.

(3)(A) The depreciation period used in determining the market value of an off-premises advertising sign shall not exceed twenty (20) years for a static off-premises advertising sign and seven (7) years for a digital off-premises advertising sign.

(B) For purposes of depreciation, the residual value of an off-premises advertising sign shall not exceed twenty percent (20%) of the cost of the off-premises advertising sign.

(C)(i) To promote uniform taxation of off-premises advertising signs, straight-line depreciation shall be used in determining the market value of an off-premises advertising sign.

(ii) The effective age of an off-premises advertising sign shall not be used for purposes of depreciation.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective for assessment years beginning on or after January 1, 2015. **APPROVED:**

03/20/2015