

Stricken language would be deleted from and underlined language would be added to present law.
Act 1076 of the Regular Session

State of Arkansas *As Engrossed: H3/15/17 H3/22/17 S3/29/17*
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 2127

By: Representative Collins

For An Act To Be Entitled

AN ACT TO PROVIDE FOR THE TAXATION OF STATE-OWNED PROPERTY THAT IS HELD UNDER A LEASE; TO ALLOW THE ASSESSMENT AND COLLECTION OF PROPERTY TAX FROM THE LESSEE OF CERTAIN STATE-OWNED PROPERTY; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE FOR THE TAXATION OF STATE-OWNED PROPERTY THAT IS HELD UNDER A LEASE; AND TO ALLOW THE ASSESSMENT AND COLLECTION OF PROPERTY TAX FROM THE LESSEE OF CERTAIN STATE-OWNED PROPERTY.

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

*SECTION 1. Arkansas Code § 26-26-905 is amended to read as follows:
26-26-905. Persons holding property.*

(a) Property held under a lease for a term exceeding ten (10) years belonging to ~~the state or to any~~ a religious, scientific, or benevolent society or institution, whether incorporated or unincorporated, and school, seminary, saline, or other lands shall be considered, for all purposes of taxation, as the ~~personal~~ property of the person holding them and shall be listed as such by the person or his or her agent, as in other cases.

(b)(1) For purposes of assessing and collecting ad valorem tax, property owned by the state shall be considered the property of the lessee if the property is held under a lease for:

(A) An ongoing commercial or residential purpose; and



(B) A term of actual use or occupation that exceeds ninety (90) days.

(2) Except as provided in this subsection, a lessee of property owned by the state as described under subdivision (b)(1) of this section shall pay ad valorem tax on the property held under the lease for any tax year during which the lease for the property is in effect as of January 1 of that tax year.

(3)(A) Within thirty (30) days of executing a lease described in subdivision (b)(1) of this section, the state shall provide written notification of the lease to the county assessor for the county in which the lease property is located.

(B) The written notification required under subdivision (b)(3)(A) of this section shall state the:

(i) Name and address of the lessee;

(ii) Term of the lease; and

(iii) Description of the leased property.

(4) This subsection does not apply to property owned and leased by the state and used:

(A) For the purpose of housing any one (1) or more of the following:

(i) Students or faculty, or both, of a state institution of higher education;

(ii) Officials or employees, or both, of a state entity; or

(iii) Official guests of a state entity;

(B) By a private person or entity for the purpose of providing a service to or on behalf of a state entity;

(C) For academic, research, or athletic facilities or purposes;

(D) For business and technology incubators or similar facilities;

(E) For manufacturing or industrial facilities or purposes, including without limitation industrial facilities as described in § 14-164-701; or

(F) By a state entity or nonprofit entity, including without limitation an organization that is otherwise exempt from taxation.

SECTION 2. DO NOT CODIFY. Transition.

A state entity that has an existing lease that meets the description in § 26-26-905(b)(1) shall provide the notification described under § 26-26-905(b)(3) within ninety (90) days of the effective date of this act.

SECTION 3. EFFECTIVE DATE. This act is effective for assessment years beginning on or after January 1, 2017.

/s/Collins

APPROVED: 04/07/2017