

State of Arkansas
94th General Assembly
Regular Session, 2023

As Engrossed: H3/27/23

A Bill

HOUSE BILL 1454

By: Representative Ray

For An Act To Be Entitled

AN ACT TO AMEND THE DEFINITION OF A HOMESTEAD FOR PURPOSES OF PROPERTY TAXATION; TO PROVIDE THAT CERTAIN DWELLINGS OWNED BY A LIMITED LIABILITY COMPANY QUALIFY AS A HOMESTEAD; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DEFINITION OF A HOMESTEAD FOR PURPOSES OF PROPERTY TAXATION; AND TO PROVIDE THAT CERTAIN DWELLINGS OWNED BY A LIMITED LIABILITY COMPANY QUALIFY AS A HOMESTEAD.

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

SECTION 1. Arkansas Code § 26-26-1118(b)(2)(A), concerning the limitation on increase of property's assessed value and the homestead property tax credit, is amended to read as follows:

(2)(A)(i) Each property owner shall register with the county assessor proof of eligibility for the property tax credit if the property owner intends to claim a property tax credit.

(ii) For property owned by a limited liability company, proof of eligibility shall include without limitation:

(a) A certificate of good standing from the Secretary of State for the limited liability company; and

(b) A signed attestation by the member or members claiming the property tax credit stating that the member or members



are not claiming the property tax credit for any other property.

SECTION 2. Arkansas Code § 26-26-1122(a)(2), concerning the definition of homestead for purposes of the homestead property-tax exemption, is amended to read as follows:

(A) "Homestead" means the dwelling of a person that is used as his or her principal place of residence with the contiguous land, excluding all land valued as agricultural land, pasture land, or timberland.

(B) "Homestead" includes:

(i) A dwelling owned by a revocable or irrevocable trust and used as the principal place of residence of the person who formed the trust; ~~and~~

(ii) A dwelling owned by an irrevocable trust and used as the principal place of residence of a beneficiary of the trust, as evidenced by submitting a signed, notarized, and file-marked copy of the irrevocable trust to the county assessor; and

(iii) A dwelling owned by a limited liability company whose members are either a married couple or otherwise no more than one (1) natural person, at least one (1) of whom claims the homestead tax credit under § 26-26-1118 and uses the dwelling as his or her principle place of residence.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective for assessment years beginning on or after January 1, 2024.

/s/Ray

APPROVED: 4/11/23