

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
91st General Assembly  
Regular Session, 2017

As Engrossed: S3/16/17 H3/27/17

# A Bill

SENATE BILL 442

By: Senator J. Hendren  
By: Representative Pitsch

## For An Act To Be Entitled

AN ACT TO CLARIFY THAT ALL PUBLIC SCHOOL BUILDINGS  
ARE EXEMPT FROM TAXATION; AND FOR OTHER PURPOSES.

### Subtitle

TO CLARIFY THAT ALL PUBLIC SCHOOL  
BUILDINGS ARE EXEMPT FROM TAXATION.

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

SECTION 1. Arkansas Code Title 6, Chapter 21, Subchapter 1, is amended to add an additional section to read as follows:

6-21-118. Taxation of public school buildings.

(a) As used in this section, "public school buildings" includes:

(1) School buildings and apparatus used for school purposes by a public school district or open-enrollment public charter school; and

(2) Libraries and grounds used exclusively for school purposes by a public school district or open-enrollment public charter school.

(b) A public school building is exempt from taxation under Arkansas Constitution, Article 16, § 5, whether the public school building is:

(1) Owned by a public school district or an open-enrollment public charter school;

(2)(A) Leased by a public school district or an open-enrollment public charter school on a lease-purchase agreement.

(B) In order to be exempt from taxation under subdivision (b)(2)(A) of this section, a lessor shall file the lease-purchase agreement with the county recorder.



(C) If the lease-purchase agreement that is required to be filed with the county recorder under subdivision (b)(2)(B) of this section is terminated, the lessor shall pay the last three (3) years of property tax due on the public school building; or

(3)(A) Leased by a public school district or an open-enrollment public charter school on any other lease agreement for an amount below fair market value.

(B) In order to be exempt from taxation under subdivision (b)(3)(A) of this section, a lessor shall present evidence to the county assessor that:

(i) The lease agreement is for an amount below fair market value; and

(ii) The difference between the amount of the lease agreement and fair market value is equal to or greater than the amount that would have been collected in taxes on the public school building if the public school building had not been exempt from taxation under this section.

(C)(A) If the county assessor determines that the lease agreement does not meet the requirements of subdivision (b)(3)(A) of this section, the lessor may appeal the determination to the county court under § 14-14-1105.

(B) An appeal from a decision of the county court may be made to the circuit court.

(c) The lessor shall notify the county assessor if the public school building no longer meets the requirements under subdivision (b)(2) or subdivision (b)(3) of this section.

/s/J. Hendren