

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

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

As Engrossed: H3/7/19  
**A Bill**

HOUSE BILL 1559

By: Representative Jean  
By: Senators M. Pitsch, Maloch, Irvin

### **For An Act To Be Entitled**

AN ACT TO AMEND THE LAW CONCERNING THE ASSESSMENT OF MINERAL RIGHTS FOR PURPOSES OF PROPERTY TAXES; TO REQUIRE SUBMISSION OF A DIVISION ORDER OR DECLARATION OF INTEREST TO THE COUNTY ASSESSOR; AND FOR OTHER PURPOSES.

### **Subtitle**

TO AMEND THE LAW CONCERNING THE ASSESSMENT OF MINERAL RIGHTS FOR PURPOSES OF PROPERTY TAXES; AND TO REQUIRE SUBMISSION OF A DIVISION ORDER OR DECLARATION OF INTEREST TO THE COUNTY ASSESSOR.

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

SECTION 1. Arkansas Code § 26-26-1110, concerning the assessment of mineral rights for purposes of property taxes, is amended to add an additional subsection to read as follows:

(e)(1)(A) Except as otherwise provided in this subsection, if mineral rights are subject to a division order or declaration of interest, the division order or declaration of interest reflecting ownership interest as of January 1 of the assessment year shall be:

(i) In a common electronic workbook format established by the department; and

(ii) Submitted electronically by the distributor of



the proceeds derived from the sale of minerals produced from the subject ownership interest to the county assessor annually by March 31.

(B) A producer or operator of ten (10) or fewer producing wells is not required to submit a division order or declaration of interest in an electronic format but shall submit a division order or declaration of interest reflecting ownership interest that is in substantial compliance with the format established by the department under subdivision (e)(1)(A) of this section.

(2)(A) A county assessor shall assess a penalty on a producer or operator equal to ten percent (10%) of the property taxes due on the mineral interests contained in a division order or declaration of interest that was not submitted as required under this subsection by April 15.

(B) A penalty assessed under this section shall be:

(i) Collected by the county collector in the same manner as other penalties related to property taxes; and

(ii) Paid into a late assessment fee fund established on the books of the county treasurer for the county assessor.

(3) A division order or declaration of interest submitted to a county assessor under this subsection is exempt from the Freedom of Information Act of 1967, § 25-19-101 et seq.

(4) A producer or operator that pays one hundred percent (100%) of the property taxes due on assessed mineral interests:

(A) Is not subject to the requirements of subdivision (e)(1) of this section; and

(B) Shall provide written notice of the producer's or operator's intent to submit a division order or declaration of interest under subdivision (e)(1) of this section that applies to the assessed mineral interests at least six (6) months before the division order or declaration of interest is submitted under subdivision (e)(1) of this section.

SECTION 2. EFFECTIVE DATE. This act is effective for assessment years beginning on or after January 1, 2020.

/s/Jean