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: H3/20/19

A Bill

SENATE BILL 530

By: Senator L. Eads
By: Representative D. Douglas

For An Act To Be Entitled

AN ACT TO AMEND THE LAW TO CREATE TRANSPARENCY ON CERTAIN PROPERTY TAX APPEALS; TO AMEND THE LAW CONCERNING APPEALS OF THE ASSESSMENT OF CERTAIN PROPERTY; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW TO CREATE TRANSPARENCY ON CERTAIN PROPERTY TAX APPEALS; TO AMEND THE LAW CONCERNING APPEALS OF THE ASSESSMENT OF CERTAIN PROPERTY; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 26-27-317(d)(1)(D) and (E), concerning applications for the adjustment of an assessment to a county equalization board, are amended to read as follows:

(D)(i) For protests and appeals of commercial and industrial property, operating as such at the time of assessment, any party that intends to offer into evidence a sale or lease transaction as evidence of the value of the property that is the subject of the protest or appeal before the county equalization board shall have an affirmative duty to disclose both of the following at least five (5) days prior to the hearing:

(a) Whether the proposed comparable property was occupied or unoccupied at the time of the transaction; and

(b) Whether the proposed comparable property was subject to any use, deed, or lease restriction at the time of the transaction that prohibits the property on which a building or structure sits from being used for the purpose for which the building or structure was designed, constructed, altered, renovated, or modified.

(ii)(a) The purpose of the disclosure is so that the county equalization board can determine whether the proposed comparable property is similarly situated to the subject property on appeal.

(b) If the information required under this section is not disclosed as required under this section, the county assessor shall advise the county equalization board that the failure to disclose the information should be considered a material omission affecting the weight of the evidence.

(E) After the evidence has been presented by both parties under this subsection, the county equalization board shall consider all evidence presented at the hearing and make a determination based on evidence presented by the parties to either accept the valuation of the subject property set by the county assessor or raise or lower the valuation of the subject property.

~~(E)(i)~~(F)(i) Except as necessary during other hearings of the county equalization board for the purpose of comparison or equalization, or both, ex parte communications between members of the county equalization board or between a member of the county equalization board and other persons concerning property on appeal before the county equalization board are prohibited.

(ii) However, members of the county equalization board may communicate with the attorneys for the county equalization board and with the secretary for the county equalization board for purposes of scheduling.

SECTION 2. Arkansas Code § 26-27-318(d), concerning appeals of county equalization board decisions to county courts, is amended to add an additional subdivision to read as follows:

(3)(A) For protests and appeals of commercial and industrial property, operating as such at the time of assessment, any party that intends to offer into evidence a sale or lease transaction as evidence of the value

of the property that is the subject of the protest or appeal before the court shall have an affirmative duty to disclose both of the following at least five (5) days prior to the hearing:

(i) Whether the proposed comparable property was occupied or unoccupied at the time of the transaction; and

(ii) Whether the proposed comparable property was subject to any use, deed, or lease restriction at the time of the transaction that prohibits the property, on which a building or structure sits from being used for the purpose for which the building or structure was designed constructed, altered, renovated, or modified.

(B) The purpose of the disclosure is so that the court can determine whether the proposed comparable property is similarly situated to the subject property on appeal.

(C)(i) The court shall consider all evidence when determining whether comparable properties are similarly situated to the subject property.

(ii) Nothing in this section is meant to restrict a court's consideration of whether a proposed comparable property is similarly situated to the subject property.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that county equalization board meetings begin August 1 of each year; that interested parties will need adequate time to prepare to comply with this act before the first meetings of the county equalization boards; and that this act is necessary to give interested parties adequate notice and time to prepare to present evidence when the county equalization boards meet. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2019.

/s/L. Eads