

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1775

By: Representative Lundstrum

By: Senator C. Penzo

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING ACCESSORY DWELLING UNITS; TO PROHIBIT THE VALUATION AND ASSESSMENT OF AN ACCESSORY DWELLING UNIT SEPARATELY FROM THE PRIMARY RESIDENCE FOR PURPOSES OF PROPERTY TAXES; TO AMEND THE METHOD OF VALUATION FOR CERTAIN RESIDENTIAL PROPERTY UNDER ARKANSAS CONSTITUTION, ARTICLE 16, § 5; AND FOR OTHER PURPOSES.

Subtitle

TO PROHIBIT THE SEPARATE VALUATION AND ASSESSMENT OF AN ACCESSORY DWELLING UNIT FOR PURPOSES OF PROPERTY TAXES; AND TO AMEND THE METHOD OF VALUATION FOR CERTAIN RESIDENTIAL PROPERTY UNDER ARKANSAS CONSTITUTION, ARTICLE 16, § 5.

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

SECTION 1. Arkansas Code § 26-26-1202(a)(1), concerning the valuation procedures for property for purposes of property taxes, is amended to read as follows:

(a)(1)(A) Each separate parcel of real property shall be valued at its true market value in money, excluding the value of crops growing thereon.

(B)(i) Residential property used as the principal place of residence of the owner shall not be subdivided into multiple parcels to create a separate parcel for an accessory dwelling unit.

(ii) Residential property used as the principal



place of residence of the owner, including any accessory dwelling unit, shall be valued and assessed as a single parcel of residential property.

(iii) As used in this subdivision (a)(1)(B), "accessory dwelling unit" means a secondary dwelling unit that is:

(a) Located on the same parcel as the primary single-family residence;

(b) Independent of and smaller than the primary single-family residence; and

(c) Owned by the same person as the primary single-family residence.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for assessment years beginning on or after January 1, 2026.