

Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.

State of Arkansas
95th General Assembly
Regular Session, 2025

HJR 1012

By: Representative R. Scott Richardson

HOUSE JOINT RESOLUTION

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO PROVIDE THAT THE ASSESSED VALUE OF REAL PROPERTY SHALL BE FIXED UNLESS THE REAL PROPERTY IS SOLD, TRANSFERRED, ASSIGNED, OR CONVEYED TO ANOTHER PERSON OR IS NEWLY CONSTRUCTED OR SUBSTANTIALLY IMPROVED OR THE USE OF THE REAL PROPERTY CHANGES; TO REPEAL PROVISIONS OF THE ARKANSAS CONSTITUTION CONCERNING THE REAPPRAISAL AND REASSESSMENT OF REAL PROPERTY; AND TO AMEND ARKANSAS CONSTITUTION, AMENDMENT 79, CONCERNING REAL PROPERTY TAXES.

Subtitle

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO REPEAL PROVISIONS CONCERNING THE REAPPRAISAL AND REASSESSMENT OF REAL PROPERTY; AND TO AMEND ARKANSAS CONSTITUTION, AMENDMENT 79, CONCERNING REAL PROPERTY TAXES.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

That the following is proposed as an amendment to the Constitution of the State of Arkansas, and upon being submitted to the electors of the state for approval or rejection at the next general election for Representatives and Senators, if a majority of the electors voting thereon at the election



adopt the amendment, the amendment shall become a part of the Constitution of the State of Arkansas, to wit:

SECTION 1. Intent.

The intent of this amendment is to amend Arkansas Constitution, Amendment 79, and other provisions of the Arkansas Constitution related to property taxes to empower the people of Arkansas to control increases in their own real property taxes and to secure real property tax assessments at the current value of the real property unless a substantial change to the real property occurs.

SECTION 2. Arkansas Constitution, Amendment 79, §§ 1 and 2, are amended to read as follows:

§1. [Assessing value of real property].

~~(a) After each county-wide reappraisal, as defined by law, and the resulting assessed value of property for ad valorem tax purposes and after each Tax Division appraisal and the resulting assessed value of utility and carrier real property for ad valorem tax purposes, the county assessor, or other official or officials designated by law, shall compare the assessed value of each parcel of real property reappraised or reassessed to the prior year's assessed value. If the assessed value of the parcel increased, then the assessed value of the parcel shall be adjusted pursuant to this section.~~

~~(b)(1) If the parcel is not a taxpayer's homestead used as the taxpayer's principal place of residence, then for the first assessment following reappraisal, any increase in the assessed value of the parcel shall be limited to not more than ten percent (10%) of the assessed value of the parcel for the previous year. In each year thereafter the assessed value shall increase by an additional ten percent (10%) of the assessed value of the parcel for the year prior to the first assessment that resulted from reappraisal but shall not exceed the assessed value determined by the reappraisal prior to adjustment under this subsection. For utility and carrier real property, any annual increase in the assessed value of the parcel shall be limited to not more than ten percent (10%) of the assessed value for the previous year.~~

~~(2) This subsection (b) does not apply to newly discovered real property, new construction, or to substantial improvements to real property.~~

~~(c)(1) Except as provided in subsection (d), if the parcel is a taxpayer's homestead used as the taxpayer's principal place of residence then for the first assessment following reappraisal, any increase in the assessed value of the parcel shall be limited to not more than five percent (5%) of the assessed value of the parcel for the previous year. In each year thereafter the assessed value shall increase by an additional five percent (5%) of the assessed value of the parcel for the year prior to the first assessment that resulted from reappraisal but shall not exceed the assessed value determined by the reappraisal prior to adjustment under this subsection.~~

~~(2) This subsection (c) does not apply to newly discovered real property, new construction, or to substantial improvements to real property.~~

~~(d)(1)(A) A homestead used as the taxpayer's principal place of residence purchased or constructed on or after January 1, 2001 by a disabled person or by a person sixty-five (65) years of age or older shall be assessed thereafter based on the lower of the assessed value as of the date of purchase or construction or a later assessed value.~~

~~(B) When a person becomes disabled or reaches sixty-five (65) years of age on or after January 1, 2001, that person's homestead used as the taxpayer's principal place of residence shall thereafter be assessed based on the lower of the assessed value on the person's sixty-fifth birthday, on the date the person becomes disabled or a later assessed value.~~

~~(C) If a person is disabled or is at least sixty-five (65) years of age and owns a homestead used as the taxpayer's principal place of residence on January 1, 2001, the homestead shall be assessed based on the lower of the assessed value on January 1, 2001 or a later assessed value.~~

~~(2) Residing in a nursing home shall not disqualify a person from the benefits of this subsection (d).~~

~~(3) In instances of joint ownership, if one of the owners qualifies under this subsection (d), all owners shall receive the benefits of this amendment.~~

~~(4) This subsection (d) does not apply to substantial improvements to real property.~~

~~(5) For real property that is subject to Section 2 of this Amendment in lieu of January 1, 2001, the applicable date for this subsection (d) shall be January 1 of the year following the completion of the~~

~~adjustments to assessed value required by Section 2.~~

(a) The assessed value of real property shall be the assessed value determined at the most recent previous assessment of the real property on or before December 31, 2026, not including any future increases that would have been implemented as the result of a previous county-wide reappraisal, except that:

(1) For real property that is sold, transferred, assigned, or otherwise conveyed on or after January 1, 2027, the assessed value of the real property shall be based on the value of the real property at the time the real property was sold, transferred, assigned, or otherwise conveyed to the taxpayer;

(2) For real property that includes new construction or substantial improvements that were completed on or after January 1, 2027, the assessed value of the real property shall be based on the value of the real property including the new construction or substantial improvements; and

(3) If the use of the real property changes, the assessed value of the real property shall be based on the value of the real property according to the real property's new use, as provided in Article 16, § 15.

(b) The General Assembly shall provide by law for procedures to be followed in adjusting the assessed value of real property, including without limitation procedures for reappraising and reassessing real property as required under this amendment.

(c) This amendment does not affect the ability of a county assessor or other official designated by law to carry out any other duties under this Constitution or under Arkansas law.

~~§ 2. [Effect of county wide reappraisal — Public utility and carrier exception].~~

~~(a)(1) Section 1 of this Amendment shall not be applicable to a county in which there has been no county wide reappraisal, as defined by law, and resulting assessed value of property between January 1, 1986 and December 31, 2000. Real property in such a county shall be adjusted according to the provisions of this section.~~

~~(2) Upon the completion of the adjustments to assessed value required by this section each taxpayer of that county shall be entitled to apply the provision of Section 1 of this Amendment to the real property owned~~

~~by them.~~

~~(b) The county assessor, or other official or officials designated by law, shall compare the assessed value of each parcel of real property to the prior year's assessed value. If assessed value of the parcel increased, then the assessed value of the parcel for the first assessment resulting from reappraisal shall be adjusted by adding one third (1/3) of the increase to the assessed value of the parcel for the previous year. An additional one third (1/3) of the increase shall be added in each of the next two (2) years. This adjustment procedure shall not apply to public utility and carrier property. Public utility and carrier property shall be adjusted pursuant to Section 1.~~

~~(c) No adjustment shall be made for newly discovered real property, new construction, or to substantial improvements to real property.~~

SECTION 3. Arkansas Constitution, Amendment 79, § 4, is amended to read as follows:

§ 4. [Income adjustments – Personal property millage rate – Uniform property tax rate requirement ~~—Reassessment—Rollback adjustments~~].

(a) The General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebtedness purposes, to assure that the tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.

(b) The millage rate levied against taxable personal property and utility and regulated carrier property in each taxing unit in the state shall be equal to the millage rate levied against real property in each taxing unit in the state. Personal property millage rates currently not equal to real estate millage rates shall be reduced to the level of the real estate millage rate; except to the extent necessary to provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.

(c) The provisions of this section shall not affect or repeal the required uniform rate of ad valorem property tax set forth in Amendment 74.

(d) The General Assembly ~~may~~ shall, by law, prescribe the method and means for reassessing real property and establish the frequency of reassessment. ~~However, reassessment shall occur at least once every five (5)~~

~~years.~~

~~(e) Rollback adjustments under Article 16, Section 14 shall be determined after the adjustments are made to assessed value under this Amendment.~~

SECTION 4. Arkansas Constitution, Article 16, § 14, is repealed.

~~§ 14. Procedure for adjustment of taxes after reappraisal or reassessment of property.~~

~~(a) Whenever a countywide reappraisal or reassessment of property subject to ad valorem taxes made in accordance with procedures established by the General Assembly shall result in an increase in the aggregate value of taxable real and personal property in any taxing unit in this State of ten percent (10%) or more over the previous year the rate of city or town, county, school district, and community college district taxes levied against the taxable real and personal property of each such taxing unit shall, upon completion of such reappraisal or reassessment, be adjusted or rolled back, by the governing body of the taxing unit, for the year for which levied as provided below. The General Assembly shall, by law, establish the procedures to be followed by a county in making a countywide reappraisal or reassessment of property which will, upon completion, authorize the adjustment or rollback of property tax rates or millage, as authorized hereinabove. The adjustment or rollback of tax rates or millage for the "base year" as hereinafter defined shall be designed to assure that each taxing unit will receive an amount of tax revenue from each tax source no greater than ten percent (10%) above the revenues received during the previous year from each such tax source, adjusted for any lawful tax or millage rate increase or reduction imposed in the manner provided by law for the year for which the tax adjustment or rollback is to be made, and after making the following additional adjustments:~~

~~(i) by excluding from such calculation the assessed value of, and taxes derived from, tangible personal property assessed in the taxing unit, and all real and tangible personal property of public utilities and regulated carriers assessed in the taxing unit, and~~

~~(ii) by computing the adjusted or rollback millage rates on the basis of the reassessed taxable real property for the base year that will produce an amount of revenue no greater than ten percent (10%) above the~~

~~revenues produced from the assessed value of real property in the taxing unit (after making the aforementioned adjustments for personal properties and properties of public utilities and regulated carriers noted above) from millage rates in effect in the taxing unit during the base year in which the millage adjustment or rollback is to be calculated. Provided, further, that in calculating the amount of adjusted or rollback millage necessary to produce tax revenues no greater than ten percent (10%) above the revenues received during the previous year, the governing body shall separate from the assessed value of taxable real property of the taxing unit, newly discovered real property and new construction and improvements to real property, after making the adjustments for personal property or property of public utilities and regulated carriers noted above, and shall compute the millage necessary to produce an amount of revenues equal to, but no greater than the base year revenues of the taxing unit from each millage source. Such taxing unit may elect either to obtain an increase in revenues equal to the amount of revenues that the computed or adjusted rollback millage will produce from newly discovered real property and new construction and improvements to real property, or if the same be less than ten percent (10%), the governing body of the taxing unit may recompute the millage rate to be charged to produce an amount no greater than ten percent (10%) above the revenues collected for taxable real property during the base year.~~

~~Provided, however, that the amount of revenues to be derived from taxable personal property assessed in the taxing unit for the base year, other than personal property taxes to be paid by public utilities and regulated carriers in the manner provided hereinabove, shall be computed at the millage necessary to produce the same dollar amount of revenues derived during the current year in which the base year adjustment or rollback of millage is computed, and the millage necessary to produce the amount of revenues received from personal property taxes received by the taxing unit, for the base year shall be reduced annually as the assessed value of taxable personal property increases until the amount of revenues from personal property taxes, computed on the basis of the current year millage rates will produce an amount of revenues from taxable personal property equal to or greater than received during the base year, and thereafter the millage rates for computing personal property taxes shall be the millage rates levied for the current year.~~

~~Provided, however, that the taxes to be paid by public utilities and regulated carriers in the respective taxing units of the several counties of this State during the first five (5) calendar years in which taxes are levied on the taxable real and personal property as reassessed and equalized in each of the respective counties as a part of a statewide reappraisal program, shall be the greater of the following:~~

~~(1) the amount of taxes paid on property owned by such public utilities or regulated carriers in or assigned to such taxing unit, less adjustments for properties disposed of or reductions in the assessed valuation of such properties in the base year as defined below, or~~

~~(2) the amount of taxes due on the assessed valuation of taxable real and tangible personal property belonging to the public utilities or regulated carriers located in or assigned to the taxing unit in each county at millage rates levied for the current year.~~

~~As used herein, the term "base year" shall mean the year in which a county completes reassessment and equalization of taxable real and personal property as a part of a statewide reappraisal program, and extends the adjusted or rolled back millage rates for the first time, as provided in subsection (a) of this Section, for the respective taxing units in such county for collection in the following year.~~

~~(i) in the event the amount of taxes paid the taxing unit in a county in the base year, as defined herein, is greater than the taxes due to be paid to such taxing unit for the current year of any year of the second (2nd) period of five (5) years after the base year, the difference between the base year taxes and the current year taxes for any year of such five (5) year period shall be adjusted as follows:~~

~~Current year of second period of (5) years~~

~~Taxes shall be current year taxes to which shall be added the following percentage of the difference between the current year taxes and the base year taxes (if greater than current year taxes)~~

~~1st year~~

~~80% of difference~~

2nd year	60% of difference
3rd year	40% of difference
4th year	20% of difference
5th year and thereafter	Current years taxes only.

~~(ii) if the current year taxes of a public utility or regulated carrier equal or exceed the base years taxes due a taxing unit during any year of the first ten (10) years after the base year, the amount of taxes to be paid to such taxing unit shall thereafter be the current years taxes and the adjustment authorized herein shall no longer apply in computing taxes to be paid to such taxing unit.~~

~~Provided, that in the event the aforementioned requirement for payment of taxes by public utilities and regulated carriers, or any class of utilities or carriers for the ten (10) year period noted above, shall be held by court decision to be contrary to the constitution or statutes of this State or of the Federal Government, the General Assembly may provide for other utilities or classes of carriers to receive the same treatment provided or required under the court order, if deemed necessary to promote equity between similar utilities or classes of carriers.~~

~~(b) The General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebtedness purposes, to assure that the adjusted or rolled back rate of tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture. [Added by Const. Amend. 59.]~~

SECTION 5. EFFECTIVE DATE. This amendment shall be effective for assessment years beginning on and after January 1, 2027.

SECTION 6. BALLOT TITLE AND POPULAR NAME. When this proposed amendment is submitted to the electors of this state on the general election ballot:

- (1) The title of this Joint Resolution shall be the ballot title; and
- (2) The popular name shall be "An Amendment to the Arkansas

Constitution to Repeal Provisions Concerning the Reappraisal and Reassessment of Real Property and to Amend Arkansas Constitution, Amendment 79, to Provide that the Assessed Value of Real Property Shall Be Fixed Unless the Real Property Is Conveyed, Newly Constructed, or Substantially Improved or the Use of the Real Property Changes."