



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: SB131

Bill Subtitle: TO CONFIRM THE LAW RELATED TO THE ASSESSMENT OF A HOMESTEAD BELONGING TO A PERSON WITH A DISABILITY OR A PERSON SIXTY-FIVE YEARS OF AGE OR OLDER.

Sponsors:

Sen. Bryant and Rep. Lundstrum

Basic Change:

SB131 clarifies the method of assessment of a homestead when sold to or by an individual who is entitled to a limitation on assessed value under Amendment 79, § 1(d) of the Arkansas Constitution.

SB131 clarifies that when a taxpayer who is disabled or at least 65 years of age:

- Sells real property, the purchaser may use a limitation on the assessed value of the property if that purchaser also qualifies for the limitation on assessed value under Amendment 79 § 1(d) of the Arkansas Constitution; or
- Buys real property that will qualify for the limitation on assessed value in Amendment 79, § 1(d) of the Arkansas Constitution, the property shall be assessed as of the date of purchase, rather than the next assessment date otherwise provided in law.

Fiscal Impact:

Public schools and other county and city physical and social infrastructure that rely on property taxes could see a reduction in revenue growth. This result may be more evident in communities that have a higher-than-average percentage of the population that qualifies for the freeze of the assessed value of a taxpayer's homestead.

Taxpayer Impact:

A taxpayer may receive a limitation on the assessment of property purchased.

Resources Required:

Education and outreach to assessors and their staff and contractors will be required as well as changes to Computer Assisted Mass Appraisal (CAMA) software.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

County assessors will be required to change current administration of property sales data entry. Education of county and state employees as well as contract appraisers will be required.



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Other Comments:

None.

Legal Analysis:

None.