

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1775

5 By: Representative Lundstrum
6 By: Senator C. Penzo
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING ACCESSORY DWELLING
10 UNITS; TO PROHIBIT THE VALUATION AND ASSESSMENT OF AN
11 ACCESSORY DWELLING UNIT SEPARATELY FROM THE PRIMARY
12 RESIDENCE FOR PURPOSES OF PROPERTY TAXES; TO AMEND
13 THE METHOD OF VALUATION FOR CERTAIN RESIDENTIAL
14 PROPERTY UNDER ARKANSAS CONSTITUTION, ARTICLE 16, §
15 5; AND FOR OTHER PURPOSES.
16
17

Subtitle

19 TO PROHIBIT THE SEPARATE VALUATION AND
20 ASSESSMENT OF AN ACCESSORY DWELLING UNIT
21 FOR PURPOSES OF PROPERTY TAXES; AND TO
22 AMEND THE METHOD OF VALUATION FOR
23 CERTAIN RESIDENTIAL PROPERTY UNDER
24 ARKANSAS CONSTITUTION, ARTICLE 16, § 5.
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

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

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

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

36 (ii) Residential property used as the principal



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

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

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

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

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

11
12 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for
13 assessment years beginning on or after January 1, 2026.