

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1559

5 By: Representative Jean
6 By: Senators M. Pitsch, Maloch, Irvin
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE ASSESSMENT OF
10 MINERAL RIGHTS FOR PURPOSES OF PROPERTY TAXES; TO
11 REQUIRE SUBMISSION OF A DIVISION ORDER OR DECLARATION
12 OF INTEREST TO THE COUNTY ASSESSOR; AND FOR OTHER
13 PURPOSES.
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Subtitle

16 TO AMEND THE LAW CONCERNING THE
17 ASSESSMENT OF MINERAL RIGHTS FOR PURPOSES
18 OF PROPERTY TAXES; AND TO REQUIRE
19 SUBMISSION OF A DIVISION ORDER OR
20 DECLARATION OF INTEREST TO THE COUNTY
21 ASSESSOR.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code § 26-26-1110, concerning the assessment of
28 mineral rights for purposes of property taxes, is amended to add an
29 additional subsection to read as follows:

30 (e)(1)(A) Except as otherwise provided in this subsection, if mineral
31 rights are subject to a division order or declaration of interest, the
32 division order or declaration of interest reflecting ownership interest as of
33 January 1 of the assessment year shall be:

34 (i) In a common electronic workbook format
35 established by the department; and

36 (ii) Submitted electronically by the producer,



1 operator, or a designee of the producer or operator to the county assessor
2 annually by March 31.

3 (B) A producer or operator of ten (10) or fewer producing
4 wells is not required to submit a division order or declaration of interest
5 in an electronic format but shall submit a division order or declaration of
6 interest reflecting ownership interest that is in substantial compliance with
7 the format established by the department under subdivision (e)(1)(A) of this
8 section.

9 (2)(A) A county assessor shall assess a penalty on a taxpayer
10 equal to ten percent (10%) of the property taxes due on the mineral interests
11 contained in a division order or declaration of interest that was not
12 submitted as required under this subsection by April 15.

13 (B) A penalty assessed under this section shall be:

14 (i) Collected by the county collector in the same
15 manner as other penalties related to property taxes; and

16 (ii) Paid into a late assessment fee fund
17 established on the books of the county treasurer for the county assessor.

18 (3) A division order or declaration of interest submitted to a
19 county assessor under this subsection is exempt from the Freedom of
20 Information Act of 1967, § 25-19-101 et seq.

21 (4) A taxpayer that pays one hundred percent (100%) of the
22 property taxes due on assessed mineral interests:

23 (A) Is not subject to the requirements of subdivision
24 (e)(1) of this section; and

25 (B) Shall provide written notice of the taxpayer's intent
26 to submit a division order or declaration of interest under subdivision
27 (e)(1) of this section that applies to the assessed mineral interests at
28 least six (6) months before the division order or declaration of interest is
29 submitted under subdivision (e)(1) of this section.

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31 SECTION 2. EFFECTIVE DATE. This act is effective for assessment years
32 beginning on or after January 1, 2020.