

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4  
5 By: Senator J. Hendren  
6

As Engrossed: S3/16/17

# A Bill

SENATE BILL 442

## For An Act To Be Entitled

8 AN ACT TO CLARIFY THAT ALL PUBLIC SCHOOL BUILDINGS  
9 ARE EXEMPT FROM TAXATION; AND FOR OTHER PURPOSES.

### Subtitle

12 TO CLARIFY THAT ALL PUBLIC SCHOOL  
13 BUILDINGS ARE EXEMPT FROM TAXATION.

14  
15  
16  
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18  
19 SECTION 1. Arkansas Code Title 6, Chapter 21, Subchapter 1, is amended  
20 to add an additional section to read as follows:

21 6-21-118. Taxation of public school buildings.

22 (a) As used in this section, "public school buildings" includes:

23 (1) School buildings and apparatus used for school purposes by a  
24 public school district or open-enrollment public charter school; and

25 (2) Libraries and grounds used exclusively for school purposes by  
26 a public school district or open-enrollment public charter school.

27 (b) A public school building is exempt from taxation under Arkansas  
28 Constitution, Article 16, § 5, whether the public school building is:

29 (1) Owned by a public school district or an open-enrollment  
30 public charter school;

31 (2) Leased by a public school district or an open-enrollment  
32 public charter school on a lease-purchase agreement; or

33 (3)(A) Leased by a public school district or an open-enrollment  
34 public charter school on any other lease agreement for an amount below fair  
35 market value.

36 (B) In order to be exempt from taxation under subdivision



1 (b)(3)(A) of this section, a lessor shall present evidence to the county  
2 assessor that:

3 (i) The lease agreement is for an amount below fair  
4 market value; and

5 (ii) The difference between the amount of the lease  
6 agreement and fair market value is equal to or greater than the amount that  
7 would have been collected in taxes on the public school building if the  
8 public school building had not been exempt from taxation under this section.

9 (C) If the county assessor determines that the lease  
10 agreement does not meet the requirements of subdivision (b)(3)(B) of this  
11 section, the lessor may appeal the determination to the circuit court.

12  
13 /s/J. Hendren  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36