



STATE OF ARKANSAS
OFFICE OF THE ATTORNEY GENERAL
JUSTICE BUILDING, LITTLE ROCK 72201

May 28, 1985

(501) 371-2007

STEVE CLARK
ATTORNEY GENERAL

OPINION NO. 85-127

Beverly Bassett
Credit Union Supervisor
Securities Department
No. 1 Capitol Mall
Little Rock, AR 72201

Dear Ms. Bassett:

This is in response to your request for an opinion on the following question: Whether Section 35 of the Arkansas Credit Union Act, Act 132 of 1971, as amended, [Ark. Stat. Ann. §67-935 (Repl. 1980)], exempts Arkansas chartered credit unions from paying personal property tax.

Section 35 of Act 132 of 1971 reads as follows:

A credit union shall be deemed an institution for savings and, together with all accumulations therein, shall not be subject to taxation except as to real estate owned. The shares of a credit union shall not be subject to a stock transfer tax when issued by the corporation or when transferred from one (1) member to another.

Article 16, Section 5(a) of the Arkansas Constitution states in pertinent part:

All real and tangible personal property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the General Assembly shall direct, making the same equally uniform throughout the state.

Properties exempt from taxation are listed in Art. 16, Section 5(b). Those exemptions are public property used exclusively for public purposes; churches used as such; cemeteries used exclusively as such; school buildings and apparatus; libraries and grounds used exclusively for school purposes; and buildings and grounds and materials used exclusively for public purposes.

Ark. Const. Art. 16, §6 expressly states that "all laws exempting property from taxation other than as provided in this Constitution shall be void." See also, Tedford v. Vault, 183 Ark. 240, 35 S.W.2d 346 (1931) (Property may not become exempt by operation of law unless it is exempted by

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the Constitution; and, Brodie v. Fitzgerald, 57 Ark. 445, 22 S.W. 29 (1893) (Art. 16, §6 is a limitation upon the power of the legislature to exempt property from taxation).

In light of the foregoing constitutional provision and case law it is my opinion that Arkansas chartered credit unions are subject to personal property tax despite the language of Act 132, Section 35.

The foregoing opinion, which I hereby approve, was prepared by E. Jeffery Story.

Sincerely,


STEVE CLARK
Attorney General

SC/EJS/pw