ARKANSAS BILLBOARD VALUATION GUIDE

2017

Arkansas Assessment Coordination Department
1614 West Third Street
Little Rock, AR 72201

Overview

The Arkansas Assessment Coordination Department, hereinafter referred to as ACD, has adopted using the base costs found in the Billboard Structures Valuation Guide published by the North Carolina Department of Revenue - Property Tax Section. In this guide, the base cost has already been determined with the additional improvements included in a square foot base cost. This cost per square foot has been extended out for each specific billboard structure categorized by type of construction and height above ground level (HAGL). In addition, a current depreciation schedule has been provided within the guide. The appraiser will locate the type and size of each billboard, make any necessary construction adjustments, and then apply the appropriate depreciation to determine the billboard value for assessment purposes. This guide will be updated on an annual basis.

Counties adopting these schedules should also consider this as a guide for the mass appraisal of billboards, understanding that it will not cover every possible sign type and configuration. The appraiser may need to make additional adjustments for condition, and other structures not covered in this guide.

****NOTE**** In 2015, the Arkansas Legislature passed Senate Bill 756 which became Act 573 of 2015 (a copy of Act 573 can be found at the end of this guide). This Act amends the property tax laws concerning off-premise advertising signs (billboards) and provides a valuation method for determining the market value of off-premise advertising signs (billboards).

An Introduction to Billboards

An outdoor advertising sign in the form of a billboard consists of at least one display panel and the supporting framework. Billboards may be freestanding, mounted to buildings, or attached to other structures. Modern billboards conform to engineering standards and are constructed of steel, while older billboard structures are made of wood or angle iron frames. A billboard may be smaller than the permitted size. This allows for the addition of a cutout or extension within the square foot envelope of the permitted area. Billboards vary in display position and size, but the industry standard display faces include:

6 ft. x 12 ft. = 72 square feet	10.5 ft. x 36 ft. = 378 square feet
8 ft. x 12 ft. = 96 square feet	12 ft. x 40 ft. = 480 square feet
10 ft. x 22 ft. = 220 square feet	14 ft. x 48 ft. = 672 square feet
10 ft. x 24 ft. = 240 square feet	16 ft. x 60 ft. = 960 square feet
12 ft. x 25 ft. = 300 square feet	20 ft. x 50 ft. = 1,000 square feet

The typical arrangements of display faces include: single face, back-to-back, V-build, side-by-side, stacked, and tri-build configurations.

Billboard companies enter into sales contracts for advertising space on their billboards. Advertisements are designed and/or produced by a billboard company or an advertising agency in response to client specifications. Advertising space is often marketed for a group of billboards rather than for a single billboard. Group sales are called “showings.” Showings are based on demographic information and are designed to target a market with a specified level of advertising exposure. The client has no interest in the real property.

Billboard sites are typically leased from an unrelated third party who owns the land or structure to which the billboard is affixed. The owner of the site generally has no interest in the billboard structure. A billboard site, the land or structure upon which a billboard is situated, is generally limited to an area large enough to accommodate the billboard structure and foundation, as well as enough space to provide for service and maintenance work.

Valuation of Billboard Structures

The sales comparison approach requires verifiable accurate sales information of individual billboards. Outdoor advertising structures are generally sold in bulk, and the transfers include ongoing concern and host agreements. These transfers typically are not recorded on filed deeds; therefore, it may be difficult to obtain information on the sale of billboards.

The income approach requires net operating income to be capitalized into a value for a specific property. The income realized from the sale of advertising space is business income that may be difficult to obtain and may include income components that should not be considered when determining valuations for property tax purposes in Arkansas.

A.C.A. § 26-1-101 (9) defines real property and lands to mean not only the land itself, whether laid out in town lots or otherwise, with all things therein contained, but also buildings, structures, improvements, and other fixtures of whatever kind thereon and all rights and privileges belonging or in anywise appertaining thereto. Once constructed, billboards are rarely voluntarily moved and should be considered permanent improvements to the land, thus considered as real property. Other like-type properties are already considered and valued as real estate in Arkansas for ad valorem taxation purposes, such as: cell towers, mobile homes, and on-premise signs (signs which advertise goods or services offered by business enterprises on the property where the sign is located – i.e. McDonald's, Walmart, etc.).

Due to the many difficulties inherent in the appraisal of billboards when applying the sales comparison and the income approach to value, ACD recommends that, for assessment purposes in Arkansas, these structures should be treated as real estate and appraised using the cost approach (with the exception of digital display faces, which should be classified as personal property due to their shorter economic life spans). The cost approach provides an efficient methodology to uniformly value billboard structures. The replacement cost new less depreciation avoids the complicated allocation process and other issues associated with the income and sales comparison approaches. The data contained in this guide is based on information extracted from material costs, labor, and other integral components of billboard construction. The valuation of each sign will be determined by calculating the replacement cost new (RCN), and then deducting depreciation based on an actual age depreciation schedule. The depreciation schedule is based on a 20-year life for both wooden and steel structures (per Act 573). The depreciation should not be lowered more than 20 percent remaining good on wood and steel structures as long as the structure is continuing to produce a viable income stream. For the vast majority of billboards, no negative or positive adjustment is appropriate for physical condition. As long as a billboard structure can support a sign face, the physical condition most likely has little effect on the income stream, and therefore the physical condition may not be particularly important. Only the worst structures and perhaps the very best billboards will fall outside of the recommended schedules.

Billboard Categories and Descriptions

For assessment purposes, billboards are grouped into 4 structural categories based on the building materials used and the underlying support system. The four categories include wood, steel A-frame, multi-mast steel, and monopole.

WOOD STRUCTURE

This class of billboards is constructed with wood post or pole supports with dimensional lumber as the secondary support (A-frame) with a wood or metal catwalk and display panel(s). Supports may be imbedded in the ground. There may be a foundation of concrete or gravel. Lighting, if present, is either fluorescent or mercury vapor.

STEEL A-FRAME STRUCTURE

This class of billboards is constructed with angle iron or steel supports with metal framing, catwalk, and display panel(s). Supports may be imbedded in the ground. There may be a foundation of concrete or gravel.

STEEL MULTI-MAST STRUCTURE

This class of billboards is constructed with steel poles, I-beam or equivalent as primary supports, with a catwalk, and display panel(s). Supports may be imbedded in the ground. There may be a foundation of concrete or gravel.

MONOPOLE STRUCTURE

This class of billboards is constructed with a tubular steel support (of various circumferences), tubular steel framing, metal catwalk and display panel(s). The foundation is concrete.

WOOD STRUCTURE EXAMPLES

WOOD SINGLE FACE

WOOD DOUBLE FACE

WOOD V-BUILT

WOOD DOUBLE FACE
(STACKED DISPLAYS)

STEEL A-FRAME STRUCTURE EXAMPLES

STEEL A-FRAME SINGLE FACE

STEEL A-FRAME SINGLE FACE
(SIDE-BY-SIDE DISPLAYS)

STEEL A-FRAME SINGLE FACE
(SIDE-BY-SIDE DISPLAYS)

STEEL MULTI-MAST STRUCTURE EXAMPLES

STEEL MULTI-MAST SINGLE FACE

STEEL MULTI-MAST SINGLE FACE

STEEL MULTI-MAST SINGLE FACE
(SIDE-BY-SIDE DISPLAYS)

STEEL MULTI-MAST DOUBLE FACE
(STACKED DISPLAYS)

MONOPOLE STRUCTURE EXAMPLES

MONOPOLE SINGLE FACE
(CENTER MOUNT)

MONOPOLE DOUBLE FACE
(FULL FLAG MOUNT)

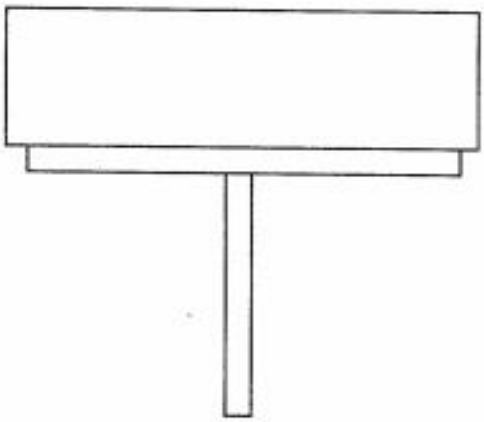
MONOPOLE DOUBLE FACE
(CENTER MOUNT)

MONOPOLE DOUBLE FACE
(PARTIAL FLAG MOUNT)

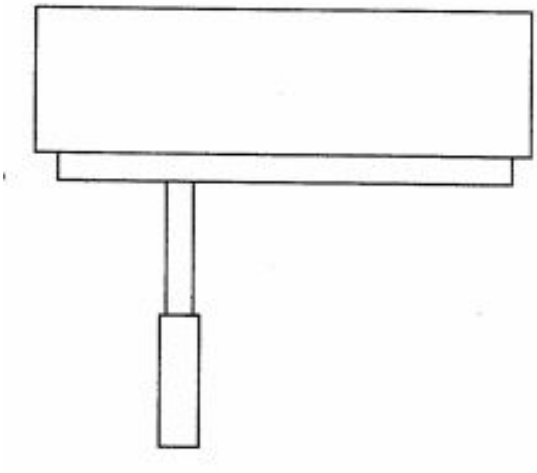
MONOPOLE SINGLE FACE
(SIDE-BY-SIDE DISPLAYS ~ CENTER MOUNT)

MONOPOLE DOUBLE FACE
(STAKED DISPLAYS ~ PARTIAL FLAG MOUNT)

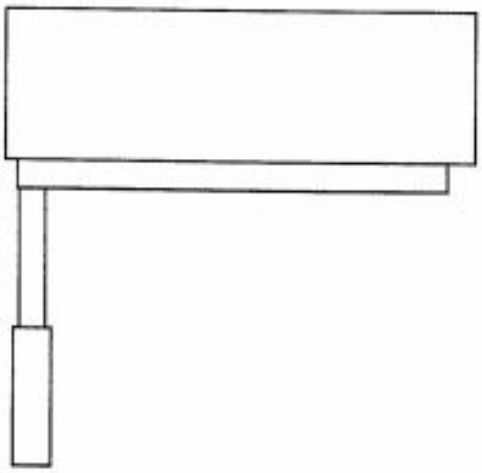
MONOPOLE CONSTRUCTION ILLUSTRATIONS



CENTER MOUNT

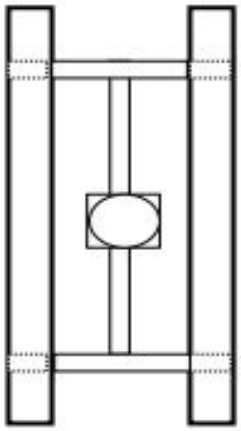


PARTIAL FLAG MOUNT

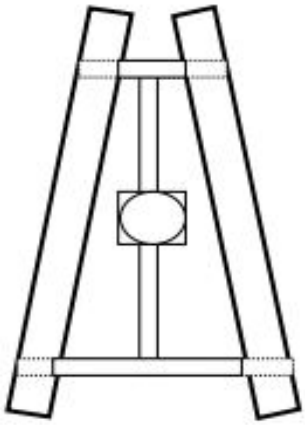


FULL FLAG MOUNT

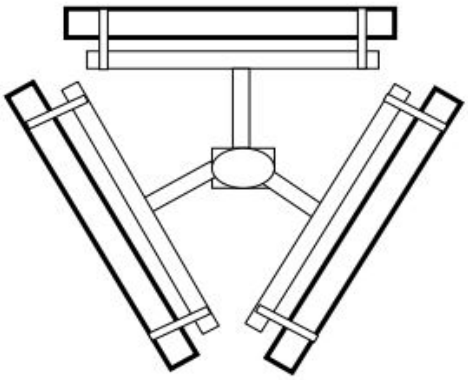
MONOPOLE CONSTRUCTION ILLUSTRATIONS (TOPVIEW)



DOUBLE FACE



V-BUILT or V-FACE



TRI-BUILT or TRIANGLE

Special Construction Adjustments

STACKED DISPLAYS

Up to two display panels are included in the base cost per structure as indicated in the stacked display cost tables. For billboard structures with more than two display panels, where the panels are stacked one on top of the other, add an additional 25% (for each panel) of the indicated value for the non-stacked display back into the value of the stacked display to account for the additional construction costs.

SIDE-BY-SIDE DISPLAYS

Where the billboard structure configuration is indicated to be horizontally side-by-side, appraise this constructed arrangement as one billboard structure. Add the square footage of the faces together to determine the size of the structure.

SALVAGE VALUE

To account for a salvage value, a 10 percent remaining good can be utilized for structures that are still standing but have reached the end of their economic life and are no longer producing a viable income stream. This salvage value should not be used for structures that are just temporarily vacant due to the lack of a current advertising contract.

CATWALK

This is the platform located underneath the sign face, either in front or in the back of the billboard sign, used as support for the maintenance crew. The cost for the platform or catwalk is included in the base cost, deduct 5% when no platform or catwalk is present.

APRON

This is the decorative trim at the bottom of the billboard sign where a billboard company logo is typically displayed. The cost for the apron is included in the base cost, deduct 5% when no apron is present.

Tri-Vision or Tri-Fold Sign Structures

A Tri-Vision or Tri-Fold billboard is an outdoor advertising sign with a slatted face that allows three different copy messages that revolve at intermittent intervals. Enhancements may include a control board, louver alignment, and options for rotating louvers in either eye-catching quick-turn or in a mesmerizing wave effect. These signs are typically controlled remotely.

To account for the additional construction costs and value of Tri-Vision display faces, use the table below to determine the positive adjustment that should be applied to the base structure cost. The adjustment amount is based on the total square footage of the display face.

Total Square Footage of Display Face	Construction Adjustment
0 – 300 square feet	15%
301 – 400 square feet	20%
401 – 600 square feet	25%
Over 600 square feet	30%

Digital Billboards

A digital display billboard is an outdoor advertising sign with a light-emitting diode (LED) face. This allows multiple messages to be displayed for varying intervals on a single board. Messages can be changed from a remote location without the need to go to the sign or to print advertising copy. Display periods can range from a few seconds to a constant view.

Steel support structures have a much longer life, typically 20 years or more, than the digital sign faces. For this reason ACD recommends that, for assessment purposes in Arkansas, the digital sign faces should be treated as personal property and appraised using the cost approach. This will require appraisers to utilize a two-part process when appraising billboard sign structures with digital faces.

1) Take the descriptive information about the sign and determine the base cost using the cost tables in this guide to calculate the replacement cost new (RCN). Apply the percent good factor from the depreciation schedule in this guide to the RCN to arrive at the current value of the sign structure itself. The current value for the sign structure should be assessed as real estate and a note should be made in the comments section that the structure contains a digital face that is assessed as personal property. The Personal Property Account Number (PPAN) that contains the digital face assessment should also be listed in the comments section.

2) Based on the size of the sign face, determine the replacement cost new (RCN) for the digital face using the digital face cost table on the next page of this guide. Apply the percent good factor from the depreciation schedule to the RCN to arrive at the current value of the digital sign face. This current value should be submitted to the Personal Property Department to be used in the personal property assessment of the digital sign face or compared for accuracy to the value submitted by the owner on their personal property rendition. The real estate parcel number of the sign structure should be listed in the comments section of the personal property assessment.

Digital Sign Faces

The valuation of each digital display face will be determined by calculating the replacement cost new (RCN) using the cost table below, then deducting deprecation based on an actual age depreciation schedule listed below. LEDs in the displays have a typical average useful life of about 100,000 hours or 11 years of continuous use. The depreciation schedule is based on a 7-year life for digital sign faces (per Act 573). The depreciation should not be lowered more than 20 percent remaining good as long as the digital sign face is continuing to produce a viable income stream.

Size of Digital Face	Total Cost	Cost per sq. ft.
10.5 ft. x 36 ft.	$105,000	$278.00
14 ft. x 48 ft.	$175,000	$260.00

* For digital faces that are of different sizes than listed above, use the cost per square foot as a guide.

Depreciation Schedule

Actual Age In Years	Remaining Life Percent
1	89%
2	77%
3	66%
4	54%
5	43%
6	31%
7	20%

Billboard Structures Depreciation Schedules

Determine the base cost using the cost tables in this guide to calculate the replacement cost new (RCN). Apply the percent good factor from the depreciation schedule below to the RCN to arrive at the current value of the sign structure itself.

Actual Age	20 Year Life % Good
1	96%
2	92%
3	88%
4	84%
5	80%
6	76%
7	72%
8	68%
9	64%
10	60%
11	56%
12	52%
13	48%
14	44%
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%

WOOD CONSTRUCTION

BASE SPECIFICATIONS

1. STRUCTURE - Wood support poles or post.
2. FOUNDATION - Embedded in ground or equivalent.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ WOOD

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBWOOD	SF20	$ 20.48
21-30' HAGL	BBWOOD	SF30	$ 23.40
31-40' HAGL	BBWOOD	SF40	$ 29.23
41-55' HAGL	BBWOOD	SF55	$ 31.01
No electricity	BBWOOD	SFNE	$ (1.30)

DOUBLE FACE ~ WOOD

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBWOOD	DF20	$ 27.09
21-30' HAGL	BBWOOD	DF30	$ 30.95
31-40' HAGL	BBWOOD	DF40	$ 38.68
41-55' HAGL	BBWOOD	DF55	$ 40.95
No electricity	BBWOOD	DFNE	$ (1.72)

V-BUILT & SIDE-BY-SIDE ~ WOOD

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBWOOD	VB20	$ 40.98
21-30' HAGL	BBWOOD	VB30	$ 46.77
31-40' HAGL	BBWOOD	VB40	$ 58.37
41-55' HAGL	BBWOOD	VB55	$ 61.95
No electricity	BBWOOD	VBNE	$ (2.60)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

WOOD CONSTRUCTION
STACKED DISPLAYS

BASE SPECIFICATIONS

1. STRUCTURE - Wood support poles or post.
2. FOUNDATION - Embedded in ground or equivalent.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ WOOD ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBWOST	SF20	$ 25.62
21-30' HAGL	BBWOST	SF30	$ 29.25
31-40' HAGL	BBWOST	SF40	$ 36.55
41-55' HAGL	BBWOST	SF55	$ 38.75
No electricity	BBWOST	SFNE	$ (1.63)

DOUBLE FACE ~ WOOD ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBWOST	DF20	$ 33.87
21-30' HAGL	BBWOST	DF30	$ 38.68
31-40' HAGL	BBWOST	DF40	$ 48.35
41-55' HAGL	BBWOST	DF55	$ 51.19
No electricity	BBWOST	DFNE	$ (2.15)

V-BUILT & SIDE-BY-SIDE ~ WOOD ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBWOST	VB20	$ 51.24
21-30' HAGL	BBWOST	VB30	$ 58.46
31-40' HAGL	BBWOST	VB40	$ 72.96
41-55' HAGL	BBWOST	VB55	$ 77.43
No electricity	BBWOST	VBNE	$ (3.25)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

STEEL A-FRAME CONSTRUCTION

BASE SPECIFICATIONS

1. STRUCTURE - Steel pole, angle iron, I-beam, or equivalent as primary support.
2. FOUNDATION - Concrete, gravel, or equivalent.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ A-FRAME STEEL

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSAF	SF20	$ 53.10
21-30' HAGL	BBSAF	SF30	$ 60.58
31-40' HAGL	BBSAF	SF40	$ 74.71
No electricity	BBSAF	SFNE	$ (3.14)

DOUBLE FACE ~ A-FRAME STEEL

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSAF	DF20	$ 72.97
21-30' HAGL	BBSAF	DF30	$ 83.31
31-40' HAGL	BBSAF	DF40	$ 102.83
No electricity	BBSAF	DFNE	$ (4.32)

V-BUILT ~ A-FRAME STEEL

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSAF	VB20	$ 106.07
21-30' HAGL	BBSAF	VB30	$ 121.07
31-40' HAGL	BBSAF	VB40	$ 149.32
No electricity	BBSAF	VBNE	$ (6.27)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

STEEL A-FRAME CONSTRUCTION
STACKED DISPLAYS

BASE SPECIFICATIONS

1. STRUCTURE - Steel pole, angle iron, I-beam, or equivalent as primary support.
2. FOUNDATION - Concrete, gravel, or equivalent.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ A-FRAME STEEL ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSAFS	SF20	$ 66.39
21-30' HAGL	BBSAFS	SF30	$ 75.73
31-40' HAGL	BBSAFS	SF40	$ 93.40
No electricity	BBSAFS	SFNE	$ (3.93)

DOUBLE FACE ~ A-FRAME STEEL ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSAFS	DF20	$ 91.21
21-30' HAGL	BBSAFS	DF30	$ 104.16
31-40' HAGL	BBSAFS	DF40	$ 128.53
No electricity	BBSAFS	DFNE	$ (5.40)

V-BUILT ~ A-FRAME STEEL ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSAFS	VB20	$ 132.61
21-30' HAGL	BBSAFS	VB30	$ 151.32
31-40' HAGL	BBSAFS	VB40	$ 186.64
No electricity	BBSAFS	VBNE	$ (7.84)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

STEEL MULTI-MAST CONSTRUCTION

BASE SPECIFICATIONS

1. STRUCTURE - Steel pole, angle iron, I-beam, or equivalent as primary support.
2. FOUNDATION - Concrete, gravel, or equivalent.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ MULTI-MAST STEEL

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSMM	SF20	$ 61.24
21-30' HAGL	BBSMM	SF30	$ 68.04
31-40' HAGL	BBSMM	SF40	$ 81.01
No electricity	BBSMM	SFNE	$ (3.50)

DOUBLE FACE ~ MULTI-MAST STEEL

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSMM	DF20	$ 82.22
21-30' HAGL	BBSMM	DF30	$ 91.37
31-40' HAGL	BBSMM	DF40	$ 108.77
41-55' HAGL	BBSMM	DF55	$ 129.48
No electricity	BBSMM	DFNE	$ (5.15)

V-BUILT ~ MULTI-MAST STEEL

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSMM	VB20	$ 100.95
21-30' HAGL	BBSMM	VB30	$ 112.16
31-40' HAGL	BBSMM	VB40	$ 133.52
41-55' HAGL	BBSMM	VB55	$ 158.95
No electricity	BBSMM	VBNE	$ (6.32)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

STEEL MULTI-MAST CONSTRUCTION
STACKED DISPLAYS

BASE SPECIFICATIONS

1. STRUCTURE - Steel pole, angle iron, I-beam, or equivalent as primary support.
2. FOUNDATION - Concrete, gravel, or equivalent.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ MULTI-MAST STEEL ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSMMS	SF20	$ 76.55
21-30' HAGL	BBSMMS	SF30	$ 85.05
31-40' HAGL	BBSMMS	SF40	$ 101.26
No electricity	BBSMMS	SFNE	$ (4.38)

DOUBLE FACE ~ MULTI-MAST STEEL ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSMMS	DF20	$ 102.78
21-30' HAGL	BBSMMS	DF30	$ 114.21
31-40' HAGL	BBSMMS	DF40	$ 135.97
41-55' HAGL	BBSMMS	DF55	$ 161.86
No electricity	BBSMMS	DFNE	$ (6.44)

V-BUILT ~ MULTI-MAST STEEL ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBSMMS	VB20	$ 126.20
21-30' HAGL	BBSMMS	VB30	$ 140.21
31-40' HAGL	BBSMMS	VB40	$ 166.90
41-55' HAGL	BBSMMS	VB55	$ 198.70
No electricity	BBSMMS	VBNE	$ (7.90)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

MONOPOLE CONSTRUCTION ~ SINGLE FACE

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.
2. FOUNDATION - Poured concrete.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ CENTER MOUNTED MONOPOLE

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMSF	SFC20	$ 66.25
21-30' HAGL	BBMSF	SFC30	$ 72.68
31-40' HAGL	BBMSF	SFC40	$ 85.56
41-55' HAGL	BBMSF	SFC55	$ 98.44
56-80' HAGL	BBMSF	SFC80	$ 124.29
80+' HAGL	BBMSF	SFC80+	$ 145.43
No electricity	BBMSF	SFCNE	$ (4.94)

SINGLE FACE ~ PARTIAL FLAG MONOPOLE

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMSF	SFP20	$ 68.78
21-30' HAGL	BBMSF	SFP30	$ 75.53
31-40' HAGL	BBMSF	SFP40	$ 88.98
41-55' HAGL	BBMSF	SFP55	$ 102.45
56-80' HAGL	BBMSF	SFP80	$ 129.28
80+' HAGL	BBMSF	SFP80+	$ 151.23
No electricity	BBMSF	SFPNE	$ (5.14)

SINGLE FACE ~ FULL FLAG MONOPOLE

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMSF	SFF20	$ 89.99
21-30' HAGL	BBMSF	SFF30	$ 95.94
31-40' HAGL	BBMSF	SFF40	$ 109.31
41-55' HAGL	BBMSF	SFF55	$ 114.43
56-80' HAGL	BBMSF	SFF80	$ 138.39
80+' HAGL	BBMSF	SFF80+	$ 162.07
No electricity	BBMSF	SFFNE	$ (5.92)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

MONOPOLE CONSTRUCTION ~ SINGLE FACE
STACKED DISPLAYS

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.
2. FOUNDATION - Poured concrete.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

SINGLE FACE ~ CENTER MOUNTED MONOPOLE ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMSFS	SFC20	$ 82.82
21-30' HAGL	BBMSFS	SFC30	$ 90.85
31-40' HAGL	BBMSFS	SFC40	$ 106.96
41-55' HAGL	BBMSFS	SFC55	$ 123.05
56-80' HAGL	BBMSFS	SFC80	$ 155.37
80+' HAGL	BBMSFS	SFC80+	$ 181.79
No electricity	BBMSFS	SFCNE	$ (6.17)

SINGLE FACE ~ PARTIAL FLAG MONOPOLE ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMSFS	SFP20	$ 85.98
21-30' HAGL	BBMSFS	SFP30	$ 94.42
31-40' HAGL	BBMSFS	SFP40	$ 111.23
41-55' HAGL	BBMSFS	SFP55	$ 128.06
56-80' HAGL	BBMSFS	SFP80	$ 161.60
80+' HAGL	BBMSFS	SFP80+	$ 189.05
No electricity	BBMSFS	SFPNE	$ (6.42)

SINGLE FACE ~ FULL FLAG MONOPOLE ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMSFS	SFF20	$ 112.49
21-30' HAGL	BBMSFS	SFF30	$ 119.92
31-40' HAGL	BBMSFS	SFF40	$ 136.64
41-55' HAGL	BBMSFS	SFF55	$ 143.02
56-80' HAGL	BBMSFS	SFF80	$ 173.00
80+' HAGL	BBMSFS	SFF80+	$ 202.59
No electricity	BBMSFS	SFFNE	$ (7.40)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

MONOPOLE CONSTRUCTION ~ DOUBLE & V-FACE

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.
2. FOUNDATION - Poured concrete.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

DOUBLE & V-FACE ~ CENTER MOUNTED MONOPOLE

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMDV	DVC20	$ 82.05
21-30' HAGL	BBMDV	DVC30	$ 87.59
31-40' HAGL	BBMDV	DVC40	$ 98.65
41-55' HAGL	BBMDV	DVC55	$ 103.48
56-80' HAGL	BBMDV	DVC80	$ 125.16
80+' HAGL	BBMDV	DVC80+	$ 132.96
No electricity	BBMDV	DVCNE	$ (5.25)

DOUBLE & V-FACE ~ PARTIAL FLAG MONOPOLE

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMDV	DVP20	$ 85.22
21-30' HAGL	BBMDV	DVP30	$ 91.01
31-40' HAGL	BBMDV	DVP40	$ 102.56
41-55' HAGL	BBMDV	DVP55	$ 107.64
56-80' HAGL	BBMDV	DVP80	$ 130.20
80+' HAGL	BBMDV	DVP80+	$ 158.94
No electricity	BBMDV	DVPNE	$ (5.63)

DOUBLE & V-FACE ~ FULL FLAG MONOPOLE

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMDV	DVF20	$ 103.60
21-30' HAGL	BBMDV	DVF30	$ 109.54
31-40' HAGL	BBMDV	DVF40	$ 121.40
41-55' HAGL	BBMDV	DVF55	$ 123.06
56-80' HAGL	BBMDV	DVF80	$ 146.99
80+' HAGL	BBMDV	DVF80+	$ 172.08
No electricity	BBMDV	DVFNE	$ (6.47)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

MONOPOLE CONSTRUCTION ~ DOUBLE & V-FACE
STACKED DISPLAYS

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.
2. FOUNDATION - Poured concrete.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

DOUBLE & V-FACE ~ CENTER MOUNTED MONOPOLE ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMDVS	DVC20	$ 102.56
21-30' HAGL	BBMDVS	DVC30	$ 109.48
31-40' HAGL	BBMDVS	DVC40	$ 123.31
41-55' HAGL	BBMDVS	DVC55	$ 129.35
56-80' HAGL	BBMDVS	DVC80	$ 156.45
80+' HAGL	BBMDVS	DVC80+	$ 166.20
No electricity	BBMDVS	DVCNE	$ (6.56)

DOUBLE & V-FACE ~ PARTIAL FLAG MONOPOLE ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMDVS	DVP20	$ 106.53
21-30' HAGL	BBMDVS	DVP30	$ 113.77
31-40' HAGL	BBMDVS	DVP40	$ 128.20
41-55' HAGL	BBMDVS	DVP55	$ 134.55
56-80' HAGL	BBMDVS	DVP80	$ 162.75
80+' HAGL	BBMDVS	DVP80+	$ 198.68
No electricity	BBMDVS	DVPNE	$ (7.04)

DOUBLE & V-FACE ~ FULL FLAG MONOPOLE ~ STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-20' HAGL	BBMDVS	DVF20	$ 129.51
21-30' HAGL	BBMDVS	DVF30	$ 136.93
31-40' HAGL	BBMDVS	DVF40	$ 151.75
41-55' HAGL	BBMDVS	DVF55	$ 153.83
56-80' HAGL	BBMDVS	DVF80	$ 183.75
80+' HAGL	BBMDVS	DVF80+	$ 215.11
No electricity	BBMDVS	DVFNE	$ (8.09)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

MONOPOLE CONSTRUCTION ~ SPECIAL TYPES

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.
2. FOUNDATION - Poured concrete.
3. CATWALK - Included in Base - **(Deduct 5% when none present)**.
4. PANELS - Included in Base.
5. APRON - Included in Base - **(Deduct 5% when none present)**.
6. ELECTRICAL - Included in Base - **(Deduct 5% for no electrical connection)**.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER SQUARE FOOT OF SIGN FACE

TRIANGLE OR TRI-BUILT (3 FACES) ~ CENTER MOUNTED MONOPOLE

Sign Height	Code	Type	$ per Sq Ft
0-40' HAGL	BBMTB	TBC40	$ 157.14
41-80' HAGL	BBMTB	TBC80	$ 202.93
80+' HAGL	BBMTB	TBC80+	$ 287.02
No electricity	BBMTB	TBCNE	$ (10.78)

TRIANGLE OR TRI-BUILT (3 FACES) ~ CENTER MOUNTED MONOPOLE STACKED DISPLAYS

Sign Height	Code	Type	$ per Sq Ft
0-40' HAGL	BBMTB	TBCS40	$ 196.44
41-80' HAGL	BBMTB	TBCS80	$ 253.68
80+' HAGL	BBMTB	TBCS80+	$ 358.78
No electricity	BBMTB	TBCSNE	$ (13.48)

*HAGL (Height Above Ground Level) - measured from the ground to the bottom of the display face.

Billboard Data Collection Form

Ownership and Location Data

Company Name: _____
Person Contacted: _____
Date Contacted: _____
Telephone Number: _____
Company Asset Number: _____
AHTD Permit Number: _____
Parcel Number: _____
Location of Structure: _____

Construction Data

Date Built: _____
Actual Age: _____
Height Above Ground: _____
Largest Display Surface: Height____ x Width_____
Number of Faces: _____
Stacked Displays: Yes_____ NO_____
Illuminated Displays: Yes_____ NO_____

Construction Type

Wood___ Steel A-Frame___ Multi-Mast Steel___ Monopole___

Face Type

Single Face _____
Double Face _____
V-Built _____
Side-by-Side _____
Tri-Vision or Tri-Fold _____
Digital Display _____

Monopole Mount Type

Center Mount _____
Partial Flag Mount _____
Full Flag Mount _____
Triangle or Tri-Built _____

Additional Comments:

_____
_____
_____

Billboard Valuation Worksheet

Base Cost of Structure _____

Construction Adjustments

Tri-Vison Display (% adjustment) + _____

Additional Stacked Displays (add 25%) + _____

No electric, catwalks, or aprons (% adjustment) (-) _____

Structure Replacement Cost New (RCN) = _____

Depreciation

Percent Good Factor x _____

TOTAL BILLBOARD STRUCTURE VALUE **= _____**

If applicable:

DIGITAL DISPLAY FACE COST NEW (RCN) _____

Depreciation

Percent Good Factor x _____

TOTAL DIGITAL DISPLAY FACE VALUE **= _____**

ABOVE TOTAL BILLBOARD STRUCTURE VALUE **+ _____**

TOTAL BILLBOARD VALUE **= _____**

Examples of How to Appraise a Billboard Structure

Example #1

The description shows a Double Face, Wood Structure at a 40' HAGL (Height Above Ground Level – measured from the ground to the bottom of the display face) with the largest panel face at 10.5 ft. x 36 ft. (378 square feet). The structure has 4 panel faces and is in a stacked configuration. The panel faces are illuminated (lighted). The structure was originally built in 2000.

Using the Wood Construction – Stacked Displays cost table in this guide, the base cost for the structure indicates a value of $18,276 (378 x 48.35 = 18,276.30). The stacked displays are already included in the base costs since you are using the stacked displays table, so no additional adjustment is needed. The cost for illumination (lighting) has already been included in the base cost so no additional reduction in cost is necessary. So, the replacement cost new (RCN) of the structure would be $18,276. The original year of construction was 2000 so it has been determined that the actual age for the 2017 valuation is 17 years. From the depreciation table in this guide, a structure that has an actual age of 17 years old, has a 32% good factor (68% depreciation). The percent good factor is applied to the RCN of the structure for a final appraised value of **$5,848** (18,276 x .32 = 5,848.32).

Examples of How to Appraise a Billboard Structure

Example #2

The description shows a Single Face, Center mounted Monopole Structure at a 35' HAGL (Height Above Ground Level – measured from the ground to the bottom of the display face) with a Tri-Vision panel face at 12 ft. x 25 ft. (300 square feet). The panel face is illuminated (lighted). The structure was originally built in 2011.

Using the Monopole Construction – Single Face cost table in this guide, the base cost for the structure indicates a value of $25,668 (300 x 85.56 = 25,668.00). The additional cost for the Tri-Vision face using the Tri-Vision costs table based on a 300 square foot sign face is $3,850 (25,668 x .15 = 3,850.20). This brings the structure's adjusted base cost to $29,518 (25,668 + 3,850 = 29,518). The cost for illumination (lighting) has already been included in the base cost so no additional reduction in cost is necessary. So, the replacement cost new (RCN) of the structure would be $29,518. The original year of construction was 2011 so it has been determined that the actual age for the 2017 valuation is 6 years. From the depreciation table in this guide, a structure that has an actual age of 6 years old, has a 76% good factor (24% depreciation). The percent good factor is applied to the RCN of the structure for a final appraised value of **$22,434** (29,518 x .76 = 22,433.68).

Examples of How to Appraise a Billboard Structure

Example #3

This is an example of how to appraise a billboard structure that has a digital sign face.

The description shows a Double Face, Partial Flag mounted Monopole Structure at a 50' HAGL (Height Above Ground Level – measured from the ground to the bottom of the display face) with one static face at 14 ft. x 48 ft. (672 square feet) and one digital face at 14 ft. x 48 ft. (672 square feet). The panel faces are illuminated (lighted). The structure was originally built in 2005. The one digital face was added new to the billboard in 2012.

Using the Monopole Construction – Double Face cost table in this guide, the base cost for the structure indicates a value of $72,334 (672 x 107.64 = 72,334.08). The cost for illumination (lighting) has already been included in the base cost so no additional reduction in cost is necessary. So, the replacement cost new (RCN) of the structure would be $72,334. The original year of construction was 2005 so it has been determined that the actual age for the 2017 valuation is 12 years. From the depreciation table in this guide, a structure that has an actual age of 12 years old, has a 52% good factor (48% depreciation). The percent good factor is applied to the RCN of the structure for a final appraised value of **$37,614** (72,334 x .52 = 37,613.68). This is the value of the billboard sign structure that would be assessed as real estate, it does not include the value of the one digital sign face.

Using the Digital Sign Faces table in this guide, the base cost for the digital face indicates a value of $175,000. So, the replacement cost new (RCN) of the digital sign face is $175,000. The digital sign face was added new to the billboard in 2012 and has an actual age of 5 years for the 2017 valuation. From the depreciation table listed in the Digital Sign Faces section, a digital face that has an actual age of 5 years, has a 43% good factor (57% depreciation). The percent good factor is applied to the RCN of the digital sign face for a final appraised value of **$75,250** (175,000 x .43 = 75,250). This is the value of the digital sign face that would be assessed as personal property.

So the final appraised value of the complete sign (structure and digital display face) would be **$112,864** (37,614 + 75,250 = 112,864).

Billboard Sites (Land Valuation)

As stated earlier in this guide, billboard sites are typically leased from an unrelated third party who owns the land or structure to which the billboard is affixed. The owner of the site generally has no interest in the billboard structure. A billboard site, the land or structure upon which a billboard is situated, is generally limited to an area large enough to accommodate the billboard structure and foundation, as well as enough space to provide ingress and egress for service and maintenance work.

The portion of land that the billboard is located on should be assessed as commercial property to recognize the income stream that is being produced by the ground lease, ACD recommends using the following guidelines when valuing the portion of land where the billboard is located.

If the land that the billboard is located on is already being appraised as commercial property then no adjustments are needed to the land valuation.

However, if the land that the billboard is located on is not being appraised as commercial property then a portion of the land needs to be allocated as commercial use and appraised as such. ACD recommends allocating 0.25 acre for the billboard site and appraising that site using one of the following methods.

1) Appraise the billboard site portion of the land using the same commercial land rates that are being used for other commercial properties in the same area.

2) Develop a commercial billboard site rate for the 0.25 acre that can be utilized for all billboard sites located within the county.

Billboard Structures Definitions

Additional Panels: For purposes of appraisal in the Billboard Valuation Guide, up to two sign panels per side are included in the base cost per structure as indicated in the stacked displays tables. More than two sign panels per side (additional panels) on one structure would require a positive adjustment in the valuation of the total structure.

Apron: Decorative trim at the bottom of the billboard sign where a billboard company logo is typically displayed.

Back-To-Back: Billboard structure configurations where two display panel faces are parallel to one another such that the backs of the advertising (back view) face each other. The advertising on each panel of the billboard structure faces in opposite directions.

Base Cost Per Structure: All of the component costs related to the construction of the billboard structure itself such as material costs, labor, permit fees, freight costs, engineering costs, and installation costs. This is not a conclusive list, but it is provided to indicate that all costs whether direct or indirect are included in the base cost amount unless specifically noted.

Billboard: A large panel or flat surface that is intended for viewing an advertisement or notice from extended distances and is typically constructed of wooden posts, steel beams, or steel monopoles.

Catwalk: The platform located underneath the sign face, either in front or in back of the billboard sign, used as support for the maintenance crew.

Center Mount: Steel monopole structure in which the supporting column is affixed to the center of the display panel.

Cut Outs: The portions of the panel display which are attached to or cut out from the face in order to emphasize a certain figure and draw the attention of the sign reader.

Depreciation Schedule: A valuation table that calculates the product of a trending factor and a straight-line depreciation factor to arrive at the replacement cost new less depreciation. The percentage amounts are also known as the percent good factors.

Digital Display: Light emitting diode (LED) panel faces that are internally illuminated matrix displays constructed with tiny silicon chips that are capable of producing light in a variety of colors.

Display Face (Panel): The flat area normally rectangular in shape where the advertisement is displayed.

Double Face: A billboard structure that has two display panels, also known as back-to-back configuration, which are parallel to each other and facing in opposite directions.

Economic Obsolescence: A loss in remaining value due to reasons external to the property.

Extension: A part of the advertisement display that extends beyond the typical rectangular face in order to create better visual impact.

Flag Mount: A steel monopole structure in which the supporting column is affixed to the left or the right of the center of the display panel.

Footings: The concrete pad sunk into the ground which is used to solidify the structure keeping it in an upright position.

Foundation: The material used at the base of a billboard structure to keep the structure in an upright position. The foundation could be the natural soil composition, poured in gravel, or poured in concrete.

Functional Obsolescence: A reduction in functional capacity or efficiency that impacts the value of the property which is caused by factors inherent in the property itself.

Height Above Ground Level (HAGL): The distance in feet from the ground level to the lowest edge of the bottom molding of the billboard display face (panel).

Illumination: Light fixtures attached to a sign so that the message is visible in hours of darkness.

Leased Billboard Site: The location where a billboard structure is erected that is typically owned by an unrelated third party who receives rental income through a contract with the billboard owner.

Lighting: Fixtures attached to the billboard structure that provides illumination during hours of darkness.

Molding: Decorative frame surrounding the printed message on the display face.

Multi-Mast Steel: A billboard structure that is constructed with several steel poles or I-beam steel supports.

Panel (Display Face): The flat area normally rectangular in shape where the advertisement is displayed.

Physical Depreciation: The loss in value due to physical wear and tear.

Replacement Cost New (RCN): The cost to replace the utility of a property with new construction using the best available materials and construction methodology.

Side-By-Side: A type of billboard configuration where two faces are arranged together in a horizontal line, one beside the other, with both display panels facing in the same direction.

Single Face: A billboard structure that has one display panel facing in one direction.

Stacked Display: Billboard structure that contains multiple display panels which are set above one another in a vertical configuration.

Steel A-Frame: A billboard structure that is constructed with angle iron or steel supports with metal framing and a single display panel. The supports are imbedded in the ground at an angle that resembles the letter "A".

Steel Monopole: A billboard structure that is constructed with a single tubular steel support imbedded in a concrete footing pad.

Stringers: Wooden or steel braces attached to the back of a billboard panel that functions to support the display face. These are also known as cross-members.

Triangle or Tri-Built: A billboard structure having three display panels arranged in the shape of a triangle with each panel facing in a different direction.

Tri-Vision or Tri-Fold: A type of billboard structure where the panel display face is made with triangular louvered narrow vertical panels that periodically rotate to display three different advertising messages in a predetermined sequence.

Uprights (Supports): Vertical posts, pipes, or beams, mounted into the ground that keep a billboard structure in an erect position.

V-Built: A billboard structure having two or more display panels that are not parallel to each other, facing in opposite directions where the configuration resembles the letter "V".

Wood Pole A-Frame: A billboard structure that is constructed with wooden post supports and a single display panel. The supports are imbedded in the ground at an angle that resembles the letter "A".

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State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 756

By: Senators Hester, B. Pierce, J. Hendren, Files
By: Representative Bragg

For An Act To Be Entitled

AN ACT TO AMEND THE PROPERTY TAX LAWS CONCERNING OFF-PREMISES ADVERTISING SIGNS; TO PROVIDE A VALUATION METHOD FOR DETERMINING THE MARKET VALUE OF OFF-PREMISES ADVERTISING SIGNS; TO PREVENT ADMINISTRATIVE AND REGULATORY TAX INCREASES; TO RESERVE WITHIN DULY ELECTED LEGISLATIVE BODIES THE RIGHT AND POWER TO ESTABLISH AND MODIFY TAX RATES; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE A VALUATION METHOD FOR DETERMINING THE MARKET VALUE OF OFF-PREMISES ADVERTISING SIGNS; TO PREVENT ADMINISTRATIVE TAX INCREASES; AND TO RESERVE WITHIN LEGISLATIVE BODIES THE POWER TO SET TAX RATES.

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

SECTION 1. Arkansas Code § 26-3-302 is amended to read as follows:

26-3-302. Intangible personalty.

(a) All intangible personal property in this state ~~shall be~~ is exempt from all ad valorem tax levies of counties, cities, and school districts in the state.

(b) Intangible personal property includes without limitation a permit or license required to place, operate, or maintain at a specific location one

(1) or more structures or fixtures and the value associated with the permit or license to place, operate, or maintain at a specific location the structures or fixtures.

~~(b)~~ (c) The exemption provided in this section ~~shall be applicable~~ applies with respect to the assessment and taxation of intangible personal property on and after January 1, 1976, and ~~no~~ ad valorem taxes shall not be assessed or collected on ~~such~~ intangible personal property for any period after January 1, 1976.

SECTION 2. Arkansas Code § 26-26-1202, concerning valuation procedures for purposes of property taxes, is amended to add an additional subsection to read as follows:

(i)(1)(A) The market value of an off-premises advertising sign shall be determined using the cost approach to avoid the inclusion of exempt intangible personal property in the valuation.

(B) The market value of an off-premises advertising sign shall not be determined using the income approach or the sales comparison approach.

(2) An adjustment shall not be made for the traffic count or other factors relating to the location of an off-premises advertising sign in determining the market value of an off-premises advertising sign.

(3)(A) The depreciation period used in determining the market value of an off-premises advertising sign shall not exceed twenty (20) years for a static off-premises advertising sign and seven (7) years for a digital off-premises advertising sign.

(B) For purposes of depreciation, the residual value of an off-premises advertising sign shall not exceed twenty percent (20%) of the cost of the off-premises advertising sign.

(C)(i) To promote uniform taxation of off-premises advertising signs, straight-line depreciation shall be used in determining the market value of an off-premises advertising sign.

(ii) The effective age of an off-premises advertising sign shall not be used for purposes of depreciation.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective for assessment years beginning on or after January 1, 2015.**APPROVED:**

1 **03/20/2015**