

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S2/10/99 S3/3/99 S3/10/99 H3/29/99

A Bill

Act 1185 of 1999
SENATE BILL 380

5 By: Senators Scott, Argue, Bearden, Beebe, Bradford, Brown, Canada, Critcher, Dowd, Edwards,
6 Everett, Gwatney, Harriman, Hill, Hoofman, Riggs, Roebuck, Ross, Walters, D. Malone, Webb
7 By: Representatives Courtway, Madison, Luker, Judy, Booker, Wilkinson, Angel, Hausam, Milum,
8 Ferrell, Willis, R. Smith, Hunt, Magnus, Scrimshire, King, Carson, Gullett, Cook, L. Thomas, Eason,
9 Glover, French, Broadway, Wilkins, Oglesby, B. Johnson, Bookout, Biggs, Faris, P. Malone,
10 Napper, Morris, J. Lewellen, Jones, Rackley, Rodgers, Lendall, Hathorn
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For An Act To Be Entitled

13
14 "AN ACT TO ESTABLISH AND PROMOTE A UNIFORM SYSTEM
15 OF REAL PROPERTY ASSESSMENTS WITHIN EACH COUNTY OF
16 THE STATE; AND FOR OTHER PURPOSES."
17

Subtitle

18
19 "TO ESTABLISH AND PROMOTE A UNIFORM
20 SYSTEM OF REAL PROPERTY ASSESSMENTS
21 WITHIN EACH COUNTY OF THE STATE."
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23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. (a) Each county in the State of Arkansas shall be required
27 to appraise all market value real estate normally assessed by the county
28 assessor at its full and fair value at a minimum of once every three (3)
29 years.

30 (b) Approximately one-third (1/3) of the state's counties shall
31 complete reappraisal in the year 2002, approximately one-third (1/3) of the
32 state's counties shall complete reappraisal in the year 2003, and
33 approximately one-third (1/3) of the state's counties shall complete
34 reappraisal in the year 2004, as set forth in Section 2 of this act.

35 (c) The county assessor, or other official or officials designated by
36 law, shall compare the assessed value of each parcel under a reappraisal or

1 reassessment which is completed in 1999 or later to the assessed value of the
2 parcel for the previous year. If the assessed value of the parcel increased,
3 then the assessed value of the parcel for the year in which the parcel is
4 reappraised or reassessed shall be adjusted by adding one-third (1/3) of the
5 increase to the assessed value for the year prior to reappraisal or
6 reassessment. An additional one-third (1/3) of the increase shall be added in
7 each of the next two (2) years.

8
9 SECTION 2. The Assessment Coordination Department shall determine which
10 counties shall be required to complete reappraisals in the years stated in
11 Section 1 (b) of this act, based on the following criteria:

- 12 (1) the length of time since the last county-wide reappraisal;
13 (2) the level and quality of assessment within the county; and
14 (3) the parcel counts within each county.

15
16 SECTION 3. The objectives of this act are as follows:

17 (1) To establish and promote a uniform system of real property
18 assessments within each county of the state and among the counties.

19 (2) To provide for the certification of appraisers who perform services
20 under the act and to assure that each has the training determined by the
21 Department to be necessary to perform accurate estimations of the valuation
22 of market value real property and to conduct countywide reappraisals which are
23 of a high quality to aid the state in its realization of the objectives of
24 this act.

25 (3) To establish planning and quality assurance guidelines in each
26 county to insure that all laws and regulations are met, standards of appraisal
27 accuracy are maintained, work is finished on time, and staff and resources are
28 used wisely.

29 (4) To furnish materials to aid appraisers in assessing real property.

30 (5) To pay the cost and expenses of reappraisals as determined by the
31 Department to be necessary, prudent and reasonable in the implementation of
32 this act.

33 (6) To ensure that all funds expended by the state for reappraisal
34 services are monitored by the Department and only that progress and
35 performance of those services as measured by the Department to be within the
36 guidelines established by the Department are to be compensated by the state.

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2 SECTION 4. (a) To carry out the provisions of this act, the Department
3 shall, as it deems necessary, appropriate, and consistent with the objectives
4 of this act:

5 (1) Develop and implement rules relating to reappraisal
6 procedures to be followed by counties, specifying annual objectives with
7 respect to the discovery, listing, and valuation of real property for
8 assessment purposes;

9 (2) Develop and implement rules relating to training, experience,
10 and testing requirements for determining whether a person is qualified to
11 manage a reappraisal. Any department personnel responsible for approving
12 reappraisal plans or property values resulting from those reappraisals shall
13 be required to meet the same criteria;

14 (3) Enter into contracts with private entities for appraisal
15 services on behalf of counties on such terms and conditions as the Department
16 deems are consistent with the provisions of this act and are necessary and
17 appropriate in its implementation. Title 19, Chapter 11 of the Arkansas Code
18 shall not apply to contracts made under this act and to the expenditure of
19 funds from the Arkansas Real Property Reappraisal Fund.

20 (b) Each county shall follow the reappraisal procedures established by
21 the Department and file a reappraisal management plan with the Department no
22 later than July 1 of the year preceding the commencement of reappraisal. The
23 plan shall specify a proposed budget, personnel needs, and projected annual
24 progress with respect to discovery, listing, and valuation of property.

25 (c) The Department shall follow pre-established Department rules to
26 determine whether a reappraisal management plan is approved or rejected.

27 (d) The Department shall establish training, experience, testing
28 requirements, and such other criteria as it deems necessary to determine
29 whether a person is qualified to manage a reappraisal performed under this
30 act. The Department shall not approve a reappraisal management plan that does
31 not name a qualified manager.

32 (e) Employees of the county assessor may be used to reappraise the
33 county and the county assessor or their designated employee may manage the
34 reappraisal if the assessor or their designated employee meets the
35 qualifications established in this act and the rules established thereunder.
36 If the initial reappraisal plan required in subsection (b) of this section as

1 submitted by the county assessor is rejected by the Department, the county
2 assessor shall be allowed to submit an alternate plan within thirty (30) days
3 of the rejection of the initial plan. If the alternate reappraisal management
4 plan is rejected by the Department, the county shall employ, and enter into a
5 contract for professional services with a professional reappraisal company on
6 behalf of all taxing units in the county as set forth below in subsection (f)
7 of this section.

8 (f) The county assessor may enter into a contract for professional
9 services with a professional reappraisal company, when both the proposed
10 contract and the reappraisal management plan submitted by the contractor have
11 been approved by the Department. If the initial reappraisal plan submitted by
12 the contractor is rejected by the Department, the contractor shall be allowed
13 to submit an alternate plan. If the second reappraisal management plan is
14 rejected by the Department, it shall write a reappraisal management plan that
15 the county shall employ, and enter into a contract for professional services
16 with a professional reappraisal company on behalf of all taxing units in the
17 county. The reappraisal contract must be accompanied by an approved
18 reappraisal management plan.

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20 SECTION 5. County assessors or those otherwise responsible for
21 valuation of real property for assessment purposes shall employ computer
22 assisted mass appraisal (CAMA) systems approved by the Department.
23 Information stored in the electronic data base used in the CAMA system shall
24 include, but not be limited to, pertinent physical characteristics and
25 historical sales prices of each property in the county. The Department shall
26 have access and capability to retrieve data stored in each county's CAMA
27 system via phone lines and modem.

28
29 SECTION 6. (a) There is hereby created the "Arkansas Real Property
30 Reappraisal Fund" The proceeds of the fund shall be used to pay counties and
31 professional reappraisal companies for the reappraisal of real property
32 required by this act and shall be in lieu of real property reappraisal funding
33 by the local taxing units in each county in this state.

34 (b) The Director of the Department may, for cause, and after an
35 opportunity for hearing, suspend or terminate the contract of any appraisal
36 firm or county.

1 (c) The Fund proceeds shall be distributed monthly except when there is
2 a determination by the Department that proper reappraisal procedures
3 established by the Department are not being followed.

4 (d) Upon a finding by the Department that proper reappraisal procedures
5 are not being followed, the county assessor or contractor shall be notified
6 that the reappraisal is out of compliance with accepted guidelines as
7 established in this act and rules enacted pursuant thereto. The Department
8 shall notify the county assessor or contractor, in writing, that the assessor
9 or contractor has thirty (30) days in which to bring the reappraisal into
10 compliance. If there is a further finding that proper reappraisal procedures
11 are not being followed, the contract shall be promptly terminated and the
12 Department shall negotiate another contract and management plan for the
13 completion of the reappraisal project.

14 (e) Based on its expertise and the criteria and requirements set forth
15 in this act, the Department shall establish by rule the findings that indicate
16 proper reappraisal procedures are not being followed.

17 (f) At the end of each county wide reappraisal the Department shall
18 issue a report of the status of the county.

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20 SECTION 7. The provisions of Arkansas Code 26-26-401 through 26-26-410,
21 relative to the adjustment or rollback of millage levied for ad valorem tax
22 purposes shall be applicable where a countywide reappraisal of property is
23 completed as provided in this act.

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25 SECTION 8. Implementation of this act does not relieve a county of any
26 previous requirements for reappraisal.

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28 SECTION 9. The provisions of this act shall not affect the duties of
29 the equalization board nor the county assessor's duties in relation to
30 assessment of personal property or any other responsibilities of the county
31 assessors not directly addressed in this act.

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33 SECTION 10. As used in this act:

34 (1) "Department" shall mean the Assessment Coordination Department of
35 the State of Arkansas.

36 (2) "Reappraisal" shall mean the estimating of the value of all taxable

1 real property within the county as of a given date within a given time frame.

2 (3) "Countywide reappraisal" shall mean a cyclical review program begun
3 pursuant to the terms of this act.

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5 SECTION 11. The Department is hereby authorized, empowered, and
6 directed to promulgate regulations for the implementation of this act.

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8 SECTION 12. All provisions of this act of a general and permanent
9 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
10 Code Revision Commission shall incorporate the same in the Code.

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12 SECTION 13. If any provision of this act or the application thereof to
13 any person or circumstance is held invalid, such invalidity shall not affect
14 other provisions or applications of the act which can be given effect without
15 the invalid provision or application, and to this end the provisions of this
16 act are declared to be severable.

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18 SECTION 14. All laws and parts of laws in conflict with this act are
19 hereby repealed.

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21 SECTION 15. EMERGENCY CLAUSE. It is hereby found and determined by the
22 General Assembly of the State of Arkansas that the ad valorem tax system in
23 the state is of critical importance to the state and its citizens; that many
24 property assessments in this state are erroneous and need to be revised; that
25 in order to correct the erroneous assessments, each parcel of taxable property
26 in each county of the state should reviewed, and revalued, at a minimum of
27 once every three (3) years; that the provisions of this act provide for such a
28 review. Therefore, an emergency is declared to exist and this act being
29 immediately necessary for the preservation of the public peace, health and
30 safety shall become effective on the date of its approval by the Governor. If
31 the bill is neither approved nor vetoed by the Governor, it shall become
32 effective on the expiration of the period of time during which the Governor
33 may veto the bill. If the bill is vetoed by the Governor and the veto is
34 overridden, it shall become effective on the date the last house overrides the
35 veto.

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/s/ Scott, et al

APPROVED: 4/7/1999