

ASSESSMENT COORDINATION DEPARTMENT
Agency #490 - 2007-09 BIENNIUM

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Assessment Coordination Department exercises general and complete supervision over the valuation, assessment, and equalization of locally assessed ad valorem taxes in Arkansas and the local officials and employees administering them in all 75 counties. In addition, the Department, confers with, advises, trains and directs, as needed these officials concerning their duties and responsibilities for proper and equitable assessment of property.

TOTAL BIENNIAL BUDGET

The total authorized appropriation for the Department is \$17.03 in FY08 and \$17.07 in FY09, which is an increase of \$5,500 in FY08 and \$5,500 in FY09 over the base level.

FUND SOURCES

The Department budget is funded by General Revenues (approx. 5%), fund balances (approx. 2%), Cash and County Assessors Continuing Education Funding (less than 1%), Ad Valorem Taxes (10%) and Real Property Reappraisal Fund (approx. 82%). The Real Property Reappraisal Fund is comprised of the amount of funding certified by ACD to the State Chief Fiscal Officer as necessary to pay counties and professional reappraisal companies for the reappraisal of real property as required by law, and 76% of the funding needed is derived from the Dept of Education Public School Fund Account, 16% from the County Aid Fund, and 8% from the Municipal Aid Fund.

II) SIGNIFICANT CHANGES

General Revenue:

The 2007-09 biennial budget includes a total general revenue increase of \$5,500 each year for the replacement of Data Processing & Technology Equipment.

ASSESSMENT COORDINATION - STATE OPERATIONS (APPROPRIATION 258)

This appropriation is funded by General Revenue and Ad Valorem taxes and is used for personal services and operating expenses for the Assessment Coordination Department.

The total authorized appropriation is \$2,694,384 in FY08 and \$2,729,461 in FY09 which includes an increase of \$5,500 each year for capital outlay for replacement of data processing and technology equipment.

III) ADDITIONAL POSITIONS

Total positions for 2007-09 Biennium: 36

Total positions for 2005-07 Biennium: 36

Increase / (Decrease): 0

IV) SPECIAL LANGUAGE

FUND TRANSFER: Director of the Assessment Coordination Department is to certify monthly to the Chief Fiscal Officer the funding needed to pay for county reappraisals. Seventy-six percent (76%) of the amount certified is transferred from the Public School Fund, 16% from the County Aid Fund, and the remaining 8% from the Municipal Aid Fund. Total transfers are limited to \$14,250,000.

PROVIDES FOR DELETION OF THE FOLLOWING LANGUAGE DUE TO THE CODIFICATION OF THE LANGUAGE:

The language establishes the Ad Valorem Tax Fund, the funding source,

which is trust revenues derived from Ad Valorem taxes, and identifies the recipients, Local Audit Division of the Legislative Audit Division, Tax Division of the Public Service Commission, and Assessment Coordination Department (ACD). It further authorizes the ACD recipient fund to retain its fund balances from one fiscal year to the next. In the event Ad Valorem taxes are not adequate to fully reimburse all of the funds, each fund will receive a share proportionate to the percentage their expenditures bear to the total expenditures. Funds available after reimbursing the County Aid, Municipal Aid, and Public School Funds shall be transferred to the County Aid Fund and thereafter to the respective County Treasurers.

PARCELS: Provides for the monthly reimbursement of reappraisal costs of counties and professional appraisal companies by the total number of parcels. Provides that the definition of what constitutes a parcel will be defined by Department Rule, and removes a definition of Parcel since the definition is defined by Department Rule.

MAXIMUM ANNUAL FUNDING FOR REAPPRAISALS/REVIEWS: Establishes a maximum funding level for the cost of reappraisals at \$7 per parcel, and further provides that counties shall use other taxing unit sources of revenue for any reappraisal costs that exceed \$7 per parcel.

CONCERNING TAX COLLECTION DATA NECESSARY TO MEET ADEQUACY: Provides for the forfeiture of reappraisal funding if preparers of the tax books do not report all necessary information to comply with the Rule 5.03 of the Assessment Coordination Department.

Rev. April, 2007