

**ASSESSMENT COORDINATION DEPARTMENT (ACD)**  
**Agency #490 - 2009-11 BIENNIUM**

**I) AGENCY SUMMARY & REVENUE SOURCES**

**MISSION**

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

**TOTAL BIENNIAL BUDGET**

The total appropriation for the Department is \$18,040,855 million in FY2010 and \$18,084,038 million in FY2011, which is a 5.3% increase each year. The total general revenue funding for the Department is \$450,000 each year, which is a reduction of \$449,759 from the Department's FY2009 budgeted level.

**FUND SOURCES**

The Department's appropriation is funded by General Revenues (approx. 2%), fund balances (12% in FY2010 and 7% in FY2011), Cash and County Assessors Continuing Education Funding (less than 1%), Ad Valorem Taxes (11% in FY2010 and 12% in FY2011) and Real Property Reappraisal Fund which is funded by the Public School, Municipal Aid and County Aid Funds (74% in FY2010 and 79% in FY2011).

**II) SIGNIFICANT CHANGES**

**General Revenue:** The 2009-11 biennial budget includes a reduction of General Revenue from the FY2009 budgeted level of \$899,759 to \$450,000 each year of the biennium, due to the availability of agency fund balances.

**REAL PROPERTY REAPPRAISAL PROGRAM (APPROPRIATION 1VC)**

This appropriation provides reimbursements up to a maximum of \$7 per parcel to Counties for their reappraisal costs, and is funded by fund transfers from the Department of Education Public School Fund Account (76%), the County Aid Fund (16%), and the Municipal Aid Fund (8%). The appropriation for the 2009-2011 biennium is \$15,000,000 each year, which is an increase of \$750,000 each year due to the increasing number of parcels to be reappraised. The FY2010 and FY2011 increase is to be funded by fund transfers (up to \$750,000) from the fund balances in the ACD Miscellaneous Agencies Fund Account.

**COUNTY ASSESSORS CONTINUING EDUCATION (APPROPRIATION 215)**

This appropriation is used to provide educational courses for local assessment personnel, and is funded by a \$600 annual assessment collected from the counties.

The appropriation is \$60,000 each year of the biennium which is an increase of \$20,000 over the base level. Of the total increase, \$11,600 is provided for operating expenses and \$8,400 is provided for Professional Fees and Services to conduct training courses. These increases are to be funded by fund balances.

**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. Due to the availability of fund balances, the Department's general revenue allocation is reduced from its FY2009 level of \$899,759 to \$450,000 each year of the 2009-11 Biennium. In addition,

the Department will transfer up to \$750,000 in FY2010 and FY2011 from fund balances in its Miscellaneous Agencies Fund Account to the Real Property Reappraisal Fund to be used to fund increased reappraisal costs.

The total appropriation is \$2,925,855 in FY2010 and \$2,969,038 in FY2011 which includes the following increases over base level:

**Operating Expenses** - An increase of \$132,467 in FY2010 and \$138,867 in FY2011 which includes \$52,467 each year for anticipated increases in rent and travel costs for field personnel and \$80,000 in FY2010 and \$86,400 in FY2011 to obtain and distribute to counties the yearly Marshall & Swift Commercial Pricing Guide.

**Capital Outlay** - An increase of \$5,500 each year to replace and upgrade data processing and other technology equipment.

**ASSESSMENT COORDINATION - CASH (APPROPRIATION C73)**

This cash appropriation is funded by proceeds from the sale of property assessment and appraisal publications and from tuition for assessment and appraisal courses collected from parties in the private sector, and is used for educational materials, printing costs, and evaluations of the Department's compliance with the International Association of Assessing Officers.

The appropriation is \$55,000 each year with the following increases:

**Operating Expenses** - An increase of \$5,000 each year to provide study materials for additional training sessions for county assessors.

**Professional Fees and Services** - An increase of \$2,000 each year for instructors to conduct additional training sessions for county assessors.

**III) ADDITIONAL POSITIONS**

Total Positions for 2009-11 Biennium: 36

Total Positions for 2007-09 Biennium: 36

Increase / (Decrease): 0

**IV) SPECIAL LANGUAGE**

**FUND TRANSFER:** Authorizes monthly fund transfers up to a total maximum of \$14,250,000 each year of the biennium upon certification by ACD to the Chief Fiscal Officer of the State of the funding needed to pay for county reappraisals with 76% of the funding to be derived from the Public School Fund, 16% from the County Aid Fund, and 8% from the Municipal Aid Fund.

**PARCELS:** Requires ACD to reimburse counties and professional reappraisal companies monthly up to the maximum cost per parcel multiplied by the number of parcels in a county divided by the number of months in the county's reappraisal cycle, with ACD rules defining the term parcel.

**MAXIMUM ANNUAL FUNDING FOR REAPPRAISALS/REVIEW:** Establishes a maximum funding level for the cost of reappraisals at \$7 per parcel based on actual appraisal cost, 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.

**FUND TRANSFERS:** Authorizes the transfer of up to \$750,000 each year of the biennium from the ACD Miscellaneous Agencies Fund Account to the Real Property Reappraisal Fund after receiving Chief Fiscal Officer approval.

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