

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H4/1/05

A Bill

HOUSE BILL 2429

5 By: Representative Verkamp
6
7

For An Act To Be Entitled

9 AN ACT TO TRANSFER THE ASSESSMENT COORDINATION
10 DEPARTMENT TO THE DEPARTMENT OF FINANCE AND
11 ADMINISTRATION; AND FOR OTHER PURPOSES.
12

Subtitle

14 AN ACT TO TRANSFER THE ASSESSMENT
15 COORDINATION DEPARTMENT TO THE
16 DEPARTMENT OF FINANCE AND
17 ADMINISTRATION.
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 *SECTION 1. Arkansas Code § 25-28-101 is amended to read as follows:*

23 *25-28-101. Creation - Director - Organization - Personnel.*

24 *(a) There is created the ~~Assessment Coordination Department~~ Office of*
25 *Assessment Coordination of the Department of Finance and Administration.*

26 *(b)(1) The ~~executive head administrator~~ of the department office shall*
27 *be the ~~Director of the Assessment Coordination Department~~ DFA Assessment*
28 *Coordination Administrator.*

29 *(2) The ~~director~~ administrator shall be appointed by the*
30 *~~Governor, subject to confirmation by the Senate,~~ Director of the Department*
31 *of Finance and Administration and shall serve at the pleasure of the ~~Governor~~*
32 *director.*

33 *(c) The ~~department~~ office shall consist of the ~~divisions~~ sections*
34 *which may be necessary to fulfill its purposes and which may be created by*
35 *law and placed under the ~~department~~ office.*

36 *(d)(1) The ~~director~~ DFA Assessment Coordination Administrator shall*



1 appoint the heads of the respective ~~divisions~~ offices.

2 (2) All personnel of the ~~department~~ office shall be employed by
3 and shall serve at the pleasure of the ~~director~~ administrator.

4 (3) However, nothing in this section shall be so construed as to
5 reduce any right which an employee of the ~~department~~ office shall have under
6 any civil service or merit system.

7 (e)(1) Each ~~division of the department~~ section within the office shall
8 be under the direction, control, and supervision of the ~~director~~
9 administrator.

10 (2) The ~~director~~ administrator may delegate his or her
11 functions, powers, and duties to the various ~~divisions of the department~~
12 sections within the office as he or she shall deem desirable and necessary
13 for the effective and efficient operation of the ~~department~~ office.

14
15 SECTION 2. Arkansas Code § 25-28-102 is amended to read as follows:
16 25-28-102. Transfer.

17 ~~(a) The Assessment Coordination Division of the Arkansas Public~~
18 ~~Service Commission~~ Department is transferred by a type 2 transfer as provided
19 in § 25-2-105 to the ~~Assessment Coordination Department~~ Department of Finance
20 and Administration.

21 ~~(b) For purposes of this subchapter, the Assessment Coordination~~
22 ~~Department shall be considered a principal department established by Acts~~
23 ~~1971, No. 38.~~

24
25 SECTION 3. Arkansas Code § 25-28-103 is amended to read as follows:
26 25-28-103. Other authority.

27 (a) The Arkansas Public Service Commission shall retain all of its
28 statutory authority, powers, duties, and functions regarding assessment and
29 equalization of properties of public utilities and public carriers.

30 (b) The Tax Division of the Arkansas Public Service Commission shall
31 retain all of the statutory authority, powers, duties, and functions
32 conferred on the division by law or assigned to the division by the
33 commission.

34 ~~(c) Any and all other statutory authority, powers, duties, functions,~~
35 ~~records, property, and funds administered or provided by other support~~
36 ~~divisions within the commission or by the commission for the Assessment~~

1 Coordination Division shall be transferred by a type 2 transfer as provided
2 in § 25-2-105 to the Assessment Coordination Department.

3 (d) Any and all other statutory authority, powers, duties, and
4 functions of the commission regarding assessment and equalization of
5 properties and the administration of the tax laws of this state not
6 specifically retained by the commission or the Tax Division of the Arkansas
7 Public Service Commission in this chapter shall be transferred by a type 2
8 transfer as provided in § 25-2-105 to the Assessment Coordination Department.

9 (e) Any and all other prescribed powers, duties, and functions of the
10 commission regarding assessment and equalization of properties and the
11 administration of the tax laws of this state not specifically retained by the
12 commission or the Tax Division of the Arkansas Public Service Commission in
13 this chapter, including rulemaking and regulation; promulgation of rules,
14 rates, regulation and standards; and the rendering of findings, orders, and
15 adjudications are transferred by a type 2 transfer as provided in § 25-2-105
16 to the Director of the Assessment Coordination Department.

17
18 SECTION 4. Arkansas Code § 25-28-104 is amended to read as follows:
19 25-28-104. Administrative Procedure Act.

20 The Office of Assessment Coordination Department of the Department of
21 Finance and Administration shall be subject to the Administrative Procedure
22 Act, § 25-15-201 et seq.

23
24 SECTION 5. Arkansas Code § 25-28-107 is repealed:

25 ~~25-28-107. Requirements of Director of the Assessment Coordination~~
26 ~~Department.~~

27 ~~From and after July 1, 2000, the Director of the Assessment~~
28 ~~Coordination Department shall meet the qualifications required for~~
29 ~~certification or licensure as a Level 4 Appraiser in Arkansas, provided that~~
30 ~~the formal course work was or is satisfactorily completed in another state.~~
31 ~~At the time of appointing the director, the Governor shall include in the~~
32 ~~appointment document a statement that the appointee meets the qualifications~~
33 ~~prescribed by law.~~

34
35 SECTION 6. Arkansas Code § 6-61-508(3), pertaining to the publication
36 of ad valorem tax assessments by the Assessment Coordination Department, is

1 amended as follows:

2 (3) Local Income: That the assessment for ad valorem tax
 3 purposes of the proposed district, as published by the ~~Assessment~~
 4 ~~Coordination Department~~ Office of Assessment Coordination of the Department
 5 of Finance and Administration, at the millage rate proposed would produce
 6 sufficient income for the district to discharge its financial obligation as
 7 required in §§ 6-61-101 - 6-61-103, 6-61-201 - 6-61-209, 6-61-211 [repealed],
 8 6-61-212 - 6-61-216, 6-61-301 - 6-61-305, 6-61-306 [repealed], 6-61-401, 6-
 9 61-402, 6-61-501 - 6-61-524, 6-61-601 - 6-61-603, and 6-61-604 - 6-61-612
 10 [repealed]. However, a district may be created without a local millage by
 11 following all applicable provisions of the law if it is demonstrated to the
 12 board that all capital costs of the district required to provide an adequate
 13 comprehensive program will be met without local millage, at least during the
 14 first five (5) years that instruction is offered by the district, through
 15 available existing facilities, contributions already secured or committed to
 16 the satisfaction of the board, establishment of a permanent endowment fund,
 17 or through any other method or any combination of methods; and

18

19 SECTION 7. Arkansas Code § 14-14-904(b)(1), pertaining to the
 20 authority of the Assessment Coordination Department to grant extensions for
 21 the levy of county, municipal, and school taxes, is amended as follows:

22 (1) Levy of Taxes and Making of Appropriations.

23 (A)(i) The quorum court at its regular meeting in November
 24 of each year shall levy the county taxes, municipal taxes, and school taxes
 25 for the current year.

26 (ii) Before the end of each fiscal year, the quorum
 27 court shall make appropriations for the expenses of county government for the
 28 following year.

29 (B) ~~The Director of the Assessment Coordination Department~~
 30 Office of Assessment Coordination of the Department of Finance and
 31 Administration may authorize an extension of up to sixty (60) days of the
 32 date for levy of taxes upon application by the county judge and county clerk
 33 of any county for good cause shown resulting from reappraisal or rollback of
 34 taxes.

35

36 SECTION 8. Arkansas Code § 14-15-205(b)(1)(A)(i), pertaining to

1 professional development recognition payments to county assessors' offices,
2 is amended as follows:

3 (i) County assessors and their employees designated
4 as senior appraisers, level 4, by the ~~Assessment Coordination Department~~
5 Office of Assessment Coordination of the Department of Finance and
6 Administration shall receive annually, to the extent moneys are available, a
7 professional development recognition payment in an amount not to exceed five
8 hundred dollars (\$500).

9
10 SECTION 9. Arkansas Code § 14-164-704(a)(2)(A), pertaining to
11 exemptions from ad valorem taxation, is amended as follows:

12 (2)(A) The aggregate amount of ad valorem taxes that would be
13 paid if the property were on the tax rolls during the initial term of the
14 lease or contract for sale may be determined based on:

15 (i) The millage and assessment rates in effect at
16 the time the obligation to make payments in lieu of property taxes is entered
17 into;

18 (ii) The projected installed costs of the taxable
19 real and personal property subject to or to be subject to the lease or
20 contract for sale, which may be evidenced by an affidavit of a duly
21 authorized officer of the private for-profit entity; and

22 (iii) Depreciation guidelines for personal property
23 published by the ~~Arkansas Assessment Coordination Department~~ Office of
24 Assessment Coordination of the Department of Finance and Administration.

25
26 SECTION 10. Arkansas Code § 14-168-322 is amended as follows:

27 14-168-322. Impact reports.

28 The ~~Assessment Coordination Department~~ Office of Assessment
29 Coordination of the Department of Finance and Administration, in cooperation
30 with other state agencies and local governments, shall make a comprehensive
31 impact report to the Governor and to the General Assembly at the beginning of
32 each biennium as to the economic, social, and financial effect and impact of
33 community redevelopment financing projects.

34
35 SECTION 11. Arkansas Code § 19-5-1096(b), pertaining to suspending the
36 contract of an appraisal firm, is amended as follows:

1 (b) For cause and after an opportunity for hearing, the Director of
 2 the ~~Assessment Coordination Department~~ Department of Finance and
 3 Administration may suspend or terminate the contract of any appraisal firm or
 4 county.

5
 6 SECTION 12. Arkansas Code § 26-24-101 is amended to read as follows:
 7 26-24-101. Divisions created.

8 (a) For the purpose of assisting it in the carrying out of its
 9 functions, powers, and duties, there is created within the Arkansas Public
 10 Service Commission ~~the following divisions:~~

11 ~~(1)(A)~~ A a Tax Division which shall have the responsibility of
 12 performing all functions and duties regarding assessment and equalization of
 13 properties of public utilities and public carriers~~†.~~

14 ~~(B)(i)(a)(b)(1)~~ All rules, regulations, and procedures to
 15 be followed by the division in assessing public utilities shall be
 16 promulgated by the commission, and all assessments of public utilities made
 17 by the division shall be upon the approval of the commission~~†.~~

18 ~~(b)(2)~~ Any person aggrieved by any assessment
 19 of any public utility made by the division and approved by the commission
 20 shall, upon petition, be entitled to a hearing before the commission, and
 21 appeals from the rulings of the commission shall be to the circuit court upon
 22 the record made before the commission in the manner provided by law~~†.~~

23 ~~(ii)(a)(c)(1)~~ All rules, regulations, and procedures
 24 to be followed by the division in assessing public carriers shall be
 25 promulgated by the Arkansas Transportation Commission, and all assessments of
 26 public carriers made by the division shall be upon the approval of the
 27 Arkansas Transportation Commission~~†.~~

28 ~~(b)(2)~~ Any person aggrieved by any assessment
 29 of any public carrier made by the division and approved by the Arkansas
 30 Transportation Commission shall, upon petition, be entitled to a hearing
 31 before that commission, and appeals from the rulings of the commission shall
 32 be to the circuit court upon the record made before the commission in the
 33 manner provided by law~~†.~~

34 ~~(2)~~ ~~An Assessment Coordination Division, the duties of which~~
 35 ~~shall be such of those formerly imposed upon the Arkansas Assessment~~
 36 ~~Coordination Department as shall be assigned to the division by the~~

1 ~~commission. None of the duties so assigned shall relate to the assessment of~~
2 ~~the properties of public carriers or public utilities.~~

3
4 SECTION 13. Arkansas Code § 26-26-304 is amended as follows:

5 26-26-304. Ratio of assessed value to market value in the assessment
6 year that reappraised values are placed on the assessment rolls.

7 (a)(1)(A) ~~The Assessment Coordination Department~~ Office of Assessment
8 Coordination of the Department of Finance and Administration shall prepare a
9 ratio study for the purpose of determining the average ratio of full assessed
10 value to the true and full market or actual value of real property, by
11 classifications, in each of the several counties and school districts of the
12 state in the assessment year that reappraised values are placed on the
13 assessment rolls.

14 (B)(i) This ratio study shall be based on sales-to-
15 assessment ratios, supplemented with appraisal to assessment ratios as
16 required to meet generally accepted statistical techniques.

17 (ii) The study shall determine the actual assessment
18 level of real estate as required by law, including the value of agricultural
19 lands that qualify for use and productivity valuation, by classification such
20 as residential, commercial and industrial, agricultural, etc.

21 (iii) No later than January 31 of every year, all
22 counties shall report, by electronic transmission, sales data to the
23 ~~department~~ office. The sales data shall include a listing of each property
24 transferred under a warranty or special warranty deed, the consideration
25 paid, the date of the sale, the parcel number, the legal description, the
26 names of the grantor and grantee, the most recent assessed value of the
27 property, and the other data prescribed by the ~~department~~ office.

28 (iv) The sales-to-assessment ratio study shall
29 include sales data for the calendar year previous to the assessment year. In
30 those instances when the number of appropriate sales from the calendar year
31 previous to the assessment year is insufficient to present a statistically
32 sound sample, the sales-to-assessment ratio study may include sales data for
33 the three (3) calendar years previous to the assessment year. The ~~department~~
34 office shall report the preliminary sales-to-assessment ratio studies to the
35 assessor and county judge on or before March 1 of the assessment year.

36 (2) The ~~department~~ office shall supplement the sales-to-

1 assessment ratio with appraisals as required and report the original combined
2 real property ratios to the assessor and county judge.

3 (3) In conducting the studies, the ~~department~~ office shall use
4 generally accepted valuation procedures, statistical compilation, and
5 analysis techniques found in the International Association of Assessing
6 Officers' standards on ratio studies.

7 (b)(1) An annual ratio study for the purpose of determining the
8 average ratio of assessed value to the true and full market or actual value
9 of personal property in each of the several counties of the state also shall
10 be made. This ratio study of personal property shall be based upon a physical
11 examination of the records of each assessor's office to determine the degree
12 of compliance with the criteria as established by the Personal Property
13 Manual.

14 (2) The personal property original ratio study shall be
15 certified by the ~~department~~ office to the county judge and county assessor of
16 each county by August 1 of each year.

17 (c)(1) The county assessor shall, on or before August 1 of each year,
18 report to the ~~department~~ office, by total of items and value, the total
19 assessment of the county as made by the assessor.

20 (2) The county clerk, on or before October 1 of each year, shall
21 file a report with the ~~department~~ office showing the percent of true market
22 or actual value at which the county equalization board has equalized the
23 assessed values of the property of the county under its jurisdiction for the
24 year, together with an abstract of the adjusted assessment by total of items
25 and value.

26 (d)(1) Whenever any county assessor or deputy assessor attends a
27 school or instructional meeting pursuant to the request of the ~~department~~
28 office, he or she shall be entitled to reimbursement for his or her travel
29 expenses, which shall be paid by the ~~department~~ office upon filing of a
30 proper claim therefor.

31 (2) The assessor and his or her deputies shall also be entitled
32 to reimbursement for travel expenses within the county in performance of
33 their duties as required by this section, which shall be paid by the county.

34 (3) All reimbursements for travel expenses shall be limited to
35 the actual and necessary expenses incurred. The total expenses incurred,
36 other than for transportation, for travel within the county shall not exceed

1 one-half (1/2) the daily maximum amount authorized for travel of state
2 employees within the state, and, for travel outside the county, the amount
3 shall not exceed the daily maximum amount authorized for travel of state
4 employees within the state, in accordance with state travel laws and
5 regulations. The transportation expenses shall not exceed the actual amount
6 paid, except that the reimbursement for use of a private automobile shall be
7 at the same rate per mile as is allowed in the reimbursement of state
8 employees under the state travel laws and regulations for transportation
9 expenses for each mile actually and necessarily traveled by the automobile,
10 within and without the county.

11 (e)(1) In addition to the other provisions of this section, whenever
12 the August 1 ratio for the classifications of market value real estate,
13 personal property (business), personal property (auto and other), or agri
14 (agricultural and timber) falls below eighteen percent (18%) or above twenty-
15 two percent (22%) of full fair market value, the county shall be deemed to
16 have failed the ratio study and shall be subject to the corrective actions
17 outlined in subdivision (f) of this section.

18 (2) Furthermore, when a ratio study determines that the county
19 does not meet the ratio standards found in the International Association of
20 Assessing Officers' standards on ratio studies, the county shall be deemed to
21 have failed the ratio study and shall be subject to the corrective actions
22 outlined in subdivision (f) of this section.

23 (3) The ~~department~~ office may conduct a county ratio study, in
24 full or in part, at any time that the ~~department~~ office determines that a
25 county has engaged in inappropriate assessment roll changes or manipulations.

26 (f)(1)(A) When a county has failed the ratio study, the ~~department~~
27 office shall direct and supervise a detailed market value and assessment
28 value analysis of the area or class indicating a deficiency in order to
29 determine the political subdivisions and neighborhoods or appraisal
30 methodology, or both, in need of assessment value adjustments.

31 (B) When appropriate assessment value adjustments are
32 determined for the county, the county shall place the assessment value
33 adjustments on the assessment rolls of the county in a manner that is most
34 equitable for the taxpayers of the county for taxation according to the laws
35 of this state.

36 (C) The ~~department~~ office and counties employing

1 contracted appraisal services shall bear no additional expense for correcting
2 a failed ratio study if the failure is found to be the fault of the
3 contractor. The contractor shall bear the cost of these additional services.

4 (2) In the case where a county fails to place the assessment
5 value adjustments on the assessment rolls of the county as directed by the
6 ~~department~~ office, the ~~department~~ office is authorized to notify the
7 disbursing agents of the State of Arkansas to withhold the funds accruing to
8 the county from all sources until the time that the adjustments are made. If
9 the adjustments are not made for one (1) year, the withheld funds shall not
10 be reimbursed to the county and shall be deposited in the State General
11 Government Fund, and withholding shall begin for the following year.

12 (g) If a county is aggrieved at the findings of the ~~department~~ office,
13 the county may appeal the findings of the ~~department~~ office to the Director
14 of the ~~Assessment Coordination~~ Department of Finance and Administration. The
15 officials of each unit of government affected shall have the right to examine
16 the records of the ~~department~~ office that pertain to the ratio findings or
17 value adjustment order for that unit of government.

18
19 SECTION 14. Arkansas Code § 26-26-1116 is amended as follows:
20 26-26-1116. Land modification.

21 (a) The ~~Assessment Coordination Department~~ Office of Assessment
22 Coordination of the Department of Finance and Administration shall not modify
23 the value of agricultural, timber, or pasture land unless it conducts at
24 least one (1) public hearing in each congressional district of this state
25 with the last public hearing occurring no later than six (6) months prior to
26 the date of the modification.

27 (b) The ~~Assessment Coordination Department~~ office shall provide
28 written justification for any modification of agricultural, timber, or
29 pasture land.

30
31 SECTION 15. Arkansas Code §§ 26-26-1901 - 26-26-1907 are amended as
32 follows:

33 26-26-1901. Definitions.

34 As used in this subchapter:

35 (1) "County-wide reappraisal" means a cyclical review program
36 begun pursuant to the terms of this subchapter;

1 (2) ~~"Department"~~ "Office" means the ~~Assessment Coordination~~
2 ~~Department Office of Assessment Coordination of the Department of Finance and~~
3 ~~Administration~~; and

4 (3) "Reappraisal" means the estimating of the value of all
5 taxable real property within the county as of a given date within a given
6 time frame.

7
8 26-26-1902. Reappraisal.

9 (a)(1) Except as provided in subsection (b) of this section, each
10 county in the State of Arkansas shall be required to appraise all market
11 value real estate normally assessed by the county assessor at its full and
12 fair market value at a minimum of once every three (3) years.

13 (2) Approximately one-third (1/3) of the state's counties shall
14 complete reappraisal in the year 2002, approximately one-third (1/3) of the
15 state's counties shall complete reappraisal in the year 2003, and
16 approximately one-third (1/3) of the state's counties shall complete
17 reappraisal in the year 2004, as set forth in § 26-26-1903.

18 (b)(1) Except as provided in subdivision (b)(2) of this section, any
19 county that has completed a reappraisal under subsection (a) of this section
20 or completed a reappraisal between the years 2002 through 2004 shall not be
21 required to commence or complete an additional reappraisal under the three-
22 year cycle but shall be required to appraise all real property normally
23 assessed by the county assessor at its full and fair market value at a
24 minimum of once every five (5) years from the previous assessment.

25 (2)(A) If, as a result of a three-year reappraisal cycle, the
26 new market value real estate assessment is greater than fifteen percent (15%)
27 from the previous market value real estate assessment in the county, the
28 county shall be required to complete its next reappraisal at a minimum of
29 once every three (3) years from the previous assessment until the new market
30 value real estate assessment is less than fifteen percent (15%) from the
31 previous market value real estate assessment, at which point the county shall
32 be placed into a five-year reappraisal cycle.

33 (B) If a county in a five-year reappraisal cycle has a new
34 market value real estate assessment that is twenty-five percent (25%) greater
35 than the previous market value real estate assessment in the county, the
36 county shall be required to complete its next reappraisal at a minimum of

1 once every three (3) years from the previous assessment until the new market
2 value real estate assessment is less than fifteen percent (15%) from the
3 previous market value real estate assessment, at which point the county shall
4 be placed into a five-year reappraisal cycle.

5 (C) The market value real estate assessments shall be
6 calculated by comparing the total values, unadjusted for the assessment
7 increase limitations required under Arkansas Constitution, Amendment 79.

8 (3)(A) A county may, at the time that it submits its market
9 value real estate assessments to the ~~Assessment Coordination Department~~
10 Office of Assessment Coordination of the Department of Finance and
11 Administration, appeal its new or continued placement into a three-year
12 reappraisal cycle if the increased market value real estate assessment is a
13 result of a single property improvement.

14 (B)(i) The ~~department~~ office shall place a county in a
15 five-year reappraisal cycle if the department concludes that the increase in
16 the new real estate market value assessment is a result of a single property
17 improvement in the county.

18 (ii) This decision by the ~~department~~ office shall be
19 made within thirty (30) calendar days after receiving the appeal.

20 (4) Each county shall provide the ~~department~~ office with the
21 previous and new market value real estate assessments on or before August 1
22 of the year in which it is required to have completed reappraisal.

23
24 26-26-1903. Criteria for reappraisal.

25 The ~~Assessment Coordination Department~~ Office of Assessment
26 Coordination of the Department of Finance and Administration shall determine
27 which counties shall be required to complete reappraisals in the years stated
28 in § 26-26-1902(b), based on the following criteria:

- 29 (1) The length of time since the last county-wide reappraisal;
30 (2) The level and quality of assessment within the county;
31 (3) The parcel counts within each county; and
32 (4) The cost of reappraisal.

33
34 26-26-1904. Objectives.

35 The objectives of this subchapter are as follows:

- 36 (1) To establish and promote a uniform system of real property

1 assessments within each county of the state and among the counties;

2 (2) To provide for the certification of appraisers who perform
3 services under this subchapter and to assure that each has the training
4 determined by the ~~Assessment Coordination Department~~ Office of Assessment
5 Coordination of the Department of Finance and Administration to be necessary
6 to perform accurate estimations of the valuation of market-value real
7 property and to conduct county-wide reappraisals which are of a high quality
8 to aid the state in its realization of the objectives of this subchapter;

9 (3) To establish planning and quality assurance guidelines in
10 each county to ensure that all laws and regulations are met, standards of
11 appraisal accuracy are maintained, work is finished on time, and staff and
12 resources are used wisely;

13 (4) To furnish materials to aid appraisers in assessing real
14 property;

15 (5) To pay the costs and expenses of reappraisals as determined
16 by the ~~department~~ office to be necessary, prudent, and reasonable in the
17 implementation of this subchapter; and

18 (6) To ensure that all funds expended by the state for
19 reappraisal services are monitored by the ~~department~~ office and only that
20 progress and performance of those services as measured by the ~~department~~
21 office to be within the guidelines established by the ~~department~~ office are
22 to be compensated by the state.

23
24 26-26-1905. Rules relating to reappraisal procedures.

25 (a) To carry out the provisions of this subchapter, the ~~Assessment~~
26 ~~Coordination Department~~ Office of Assessment Coordination of the Department
27 of Finance and Administration, as it deems necessary, appropriate, and
28 consistent with the objectives of this subchapter, shall:

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

33 (2)(A) Develop and implement rules relating to training,
34 experience, and testing requirements for determining whether a person is
35 qualified to manage a reappraisal.

36 (B) Any ~~department~~ office personnel responsible for

1 approving reappraisal plans or property values resulting from those
2 reappraisals shall be required to meet the same criteria;

3 (3) Enter into contracts with private entities for appraisal
4 services on behalf of counties on such terms and conditions as the ~~department~~
5 office deems are consistent with the provisions of this subchapter and are
6 necessary and appropriate in its implementation. Title 19, Chapter 11, shall
7 not apply to contracts made under this subchapter and to the expenditure of
8 funds from the Arkansas Real Property Reappraisal Fund.

9 (b)(1) Each county shall follow the reappraisal procedures established
10 by the ~~department~~ office and file a reappraisal management plan with the
11 ~~department~~ office no later than July 1 of the year preceding the commencement
12 of the reappraisal.

13 (2) The plan shall specify a proposed budget, personnel needs,
14 and projected annual progress with respect to the discovery, listing, and
15 valuation of property.

16 (c) The ~~department~~ office shall follow preestablished ~~department~~
17 office rules to determine whether a reappraisal management plan is approved
18 or rejected.

19 (d)(1) The ~~department~~ office shall establish training, experience,
20 testing requirements, and such other criteria as it deems necessary to
21 determine whether a person is qualified to manage a reappraisal performed
22 under this subchapter.

23 (2) The ~~department~~ office shall not approve a reappraisal
24 management plan that does not name a qualified manager.

25 (e)(1) Employees of the county assessor may be used to reappraise the
26 county and the county assessor or a designated employee may manage the
27 reappraisal if the assessor or the designated employee meets the
28 qualifications established in this subchapter and the rules established under
29 this subchapter.

30 (2)(A) If the initial reappraisal plan required in subsection
31 (b) of this section as submitted by the county assessor is rejected by the
32 ~~department~~ office, the county assessor shall be allowed to submit an
33 alternate plan within thirty (30) days of the rejection of the initial plan.

34 (B) If the alternate reappraisal management plan is
35 rejected by the ~~department~~ office, the county shall employ and enter into a
36 contract for professional services with a professional reappraisal company on

1 behalf of all taxing units in the county as set forth in subsection (f) of
2 this section.

3 (f)(1) The county assessor may enter into a contract for professional
4 services with a professional reappraisal company when both the proposed
5 contract and the reappraisal management plan submitted by the contractor have
6 been approved by the ~~department~~ office.

7 (2)(A) If the initial reappraisal plan submitted by the contractor is
8 rejected by the ~~department~~ office, the contractor shall be allowed to submit
9 an alternate plan.

10 (B) If the second reappraisal management plan is rejected
11 by the ~~department~~ office, it shall write a reappraisal management plan that
12 the county shall employ and enter into a contract for professional services
13 with a professional reappraisal company on behalf of all taxing units in the
14 county.

15 (3) The reappraisal contract must be accompanied by an approved
16 reappraisal management plan.

17

18 26-26-1906. Computer-assisted mass appraisal systems.

19 County assessors or those otherwise responsible for the valuation of
20 real property for assessment purposes shall employ computer-assisted mass
21 appraisal systems approved by the ~~Assessment Coordination Department~~ Office
22 of Assessment Coordination of the Department of Finance and Administration.
23 Information stored in the electronic database used in the computer-assisted
24 mass appraisal system shall include, but not be limited to, pertinent
25 physical characteristics and historical sales prices of each property in the
26 county. The ~~department~~ office shall have access and the capability to
27 retrieve data stored in each county's computer-assisted mass appraisal system
28 via phone lines and a modem.

29

30 26-26-1907. Arkansas Real Property Reappraisal Fund.

31 (a)(1) There is hereby created the "Arkansas Real Property Reappraisal
32 Fund".

33 (2) The proceeds of the fund shall be used to pay counties and
34 professional reappraisal companies for the reappraisal of real property
35 required by this subchapter and shall be in lieu of real property reappraisal
36 funding by the local taxing units in each county of this state.

1 (b) For cause and after an opportunity for hearing, the Director of
2 the ~~Assessment Coordination~~ Department of Finance and Administration may
3 suspend or terminate the contract of any appraisal firm or county.

4 (c)(1) The fund proceeds shall be distributed monthly, except when
5 there is a determination by the ~~Assessment Coordination Department~~ Director
6 of the Department of Finance and Administration that proper reappraisal
7 procedures established by the ~~department~~ Office of Assessment Coordination of
8 the Department of Finance and Administration are not being followed.

9 (2)(A)(i) Upon a finding by the ~~department~~ office that proper
10 reappraisal procedures are not being followed, the county assessor or
11 contractor shall be notified that the reappraisal is out of compliance with
12 accepted guidelines as established in § 26-26-1901 et seq. and rules enacted
13 pursuant thereto.

14 (ii) The ~~department~~ office shall notify the county
15 assessor or contractor in writing that the assessor or contractor has thirty
16 (30) days in which to bring the reappraisal into compliance.

17 (B) If there is a further finding that proper reappraisal
18 procedures are not being followed, the contract shall be promptly terminated
19 and the ~~department~~ office shall negotiate another contract and management
20 plan for the completion of the reappraisal project.

21 (d) Based on ~~its~~ his or her expertise and the criteria and
22 requirements set forth in this subchapter, the Director of the Department of
23 Finance and Administration shall establish by rule the findings that indicate
24 proper reappraisal procedures are not being followed.

25 (e) At the end of each countywide reappraisal, the ~~department~~ office
26 shall issue a report of the status of the county.

27
28 SECTION 16. Arkansas Code § 26-26-1911 is amended as follows:

29 26-26-1911. ~~Department authority~~ Administration.

30 The ~~Assessment Coordination Department~~ Director of the Department of
31 Finance and Administration is hereby authorized, empowered, and directed to
32 promulgate ~~regulations~~ rules for the implementation of this subchapter.

33
34 SECTION 17. Arkansas Code § 26-27-307(b), pertaining to the secretary
35 of the county equalization board, is amended as follows:

36 (b) In addition, within ten (10) days after the appointment of the

1 equalization board for the clerk's county, the clerk or the clerk's designee
2 shall file from time to time with the ~~Assessment Coordination Department~~
3 Office of Assessment Coordination of the Department of Finance and
4 Administration a statement showing the name and address of each member of the
5 board.

6
7 SECTION 18. Arkansas Code § 26-27-309(c), pertaining to meetings of
8 the county equalization board, is amended as follows:

9 (c) In addition, the board shall exercise its functions as a board of
10 equalization to equalize the assessed value of all acreage lands, city and
11 town lots, other real property, and personal property subject to local
12 assessment, regardless of the year in which the property was last assessed by
13 the local assessor, ~~beginning.~~ Beginning August 1 of each year and
14 continuing through October 1, the board shall meet as often as is necessary
15 to consider the equalization of all property assessments and all requests for
16 adjustments of assessments by taxpayers. However, in those counties where the
17 assessed value of real and personal property has been found by the ~~Assessment~~
18 ~~Coordination Department~~ Office of Assessment Coordination of the Department
19 of Finance and Administration to be below the percentage of the true or fair
20 market value as required by law, the meetings of the board shall continue
21 until all property assessments are equalized and all requests for adjustments
22 of assessments by taxpayers are considered, however, the meetings shall not
23 run later than the third Monday in November of each year.

24
25 SECTION 19. Arkansas Code § 26-35-607(b), pertaining to the cost of
26 collecting ad valorem tax on mineral interests, is amended as follows:

27 (b) As used in this section, the cost of collecting the ad valorem tax
28 on mineral interests shall be the amount determined by the Director of the
29 ~~Assessment Coordination Division of the~~ Department of Finance and
30 Administration as being a reasonable amount for the cost of collection.

31
32 SECTION 20. Arkansas Code § 26-80-403 is amended as follows:

33 26-80-403. Establishment of compliance.

34 Compliance with the uniform rate of tax shall be established by the
35 Department of Education in coordination with the ~~Assessment Coordination~~
36 ~~Department~~ Office of Assessment Coordination of the Department of Finance and

1 Administration.

2
3 SECTION 21. Arkansas Code § 26-80-404(c), pertaining to calculation of
4 compliance with the uniform rate of tax, is amended as follows:

5 (c) On or before October 1, 2004, and each year thereafter, the
6 Department of Education, in conjunction with the ~~Assessment Coordination~~
7 ~~Department~~ Office of Assessment Coordination of the Department of Finance and
8 Administration, shall monitor compliance with the uniform rate of tax.

9
10 SECTION 22. EMERGENCY CLAUSE. It is found and determined by the
11 General Assembly of the State of Arkansas that the Assessment Coordination
12 Department is inefficient; that the services provided by the department to
13 the citizens of Arkansas would be better managed if the department were
14 transferred to another state agency; and that in order to coordinate agency
15 budgets and administration with the state fiscal year, this act should become
16 effective on July 1, 2005. Therefore, an emergency is declared to exist and
17 this act being necessary for the preservation of the public peace, health,
18 and safety shall become effective on July 1, 2005.

19
20 /s/ Verkamp
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36