

In-House Countywide Reappraisal Plan (Five Year)

_____ County



Submitted to the Assessment Coordination Department _____, 20____

Approved by the Assessment Coordination Department _____, 20____

A-9b

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PREFACE

In accordance with Act 1185 of 1999, as amended, _____ County, Arkansas (hereinafter referred to as the "County") is submitting the following In-House Countywide Reappraisal Plan (hereinafter referred to as the "Plan") to the Arkansas Assessment Coordination Department (hereinafter referred to as "ACD") for approval. The appraisal conducted in accordance with this Plan will be completed within 60 months, commencing _____, 20__ (date). In addition, the provisions of Amendment 59 to the Arkansas Constitution and Arkansas Code Title 26, Chapter 26, Sub-chapter 4 relative to the adjustment or rollback of millage levied for ad valorem tax purposes shall be applied.

The County acknowledges, understands and agrees as follows:

1. Unless it files a Plan with the ACD, State of Arkansas, to be completed within 60 months, the County, the municipalities and the school districts therein, are all subject to the provisions provided for in A.C.A. 26-26-1905. Any proposed deviations from the Plan, i.e. amendments to the Plan, must be submitted in writing and approved by ACD. The document amending the Plan must clearly state the factor(s) necessitating the deviation and be signed by those parties to the original Plan. The ACD shall then issue its approval.
2. it is filing this Plan in good faith with the understanding that its failure to abide fully by the terms of the Plan will result in the termination of the Plan and immediately cause the County to be subject to provisions provided for in A.C.A. 26-26-1905.
3. prior to a termination of the Plan, ACD shall notify the County setting out the factor(s) giving rise to the preliminary decision to terminate the Plan and afford the County an opportunity to appear before the Director of ACD to show cause why the Plan should not be terminated. ACD shall notify all signatories to the Plan in the event of a preliminary decision to terminate the Plan and will set time and place for a full hearing on the matter and their right to appear and participate.

IN-HOUSE COUNTYWIDE REAPPRAISAL PLAN

In-House Reappraisal Plan requires that the County perform the following:

1. County shall physically inspect and estimate the value of _____ real estate parcels, and the data shall be entered into the County's CAMA system. This number represents the ACD's taxable parcel count. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. For purposes of this Plan a thorough visual review of each property means the county will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.
2. Derive appropriate values and mail notices of revaluation on aforementioned parcels no later than ten working days after July 1 of the valuation year.
3. Complete Board of Equalization hearings by a date no later than the date prescribed by law.
4. The values of all real estate parcels reappraised in accordance with this Plan shall be adjusted to reflect market values as of January 1 of the valuation year.
5. In keeping with the intent of Act 836 of 1997 and Act 1440 of 1997, newly discovered and newly constructed property shall be appraised and assessed at prevailing values until such time as all real estate parcels have been revalued.
6. All bona fide agricultural land, timberland, and pastureland will be valued in accordance with the Arkansas Constitution and A.C.A. 26-26-407.
7. After the completion of the reappraisal, millage rates for each taxing unit shall be adjusted in accordance with Amendment 59 to the Arkansas Constitution and A.C.A. 26-26-400 series.
8. The County will submit monthly progress reports to the Assessment Coordination Department, on forms designated by the department.
9. All electronically stored real estate parcel information will be made available to the ACD. Access to information will be made available through electronic transmission, and the county will ensure that current data and valuation information collected will be accessible in the county assessor's office no later than 30 days after its collection or determination.
10. The county will abide by the Standards and Procedures described herein.
11. _____ county employees, as detailed in the "Personnel Needs" section of the Plan shall work exclusively on the reappraisal.

BASIC STANDARDS & PROCEDURES TO BE FOLLOWED WHEN CONDUCTING A COUNTYWIDE REAPPRAISAL

1. Public Involvement and Community Relations: Success of the countywide reappraisal program is dependent on the level of understanding and support given by the general public. For this reason, the County will develop a complete and effective public relations program including the following activities:

(A) informational materials will be prepared for use in conjunction with public appearances and for handouts;

(B) talks will be scheduled before service clubs, civic organizations, and neighborhood groups as often as possible;

(C) the news media will be kept informed as to program objectives, progress, and accomplishments.

Recognizing that taxpayer contact represents a public relations opportunity; employees will be trained:

(A) to be completely familiar with the countywide reappraisal program;

(B) in telephone and face-to-face communication etiquette;

(C) to alert neighborhoods as to the field activities which will occur in their area.

Public relations will be the responsibility of all employees involved in the countywide reappraisal program, with the fundamental responsibility for implementation being the County Assessor.

2. Valuation Methodology: The first phase of the valuation component will be data collection and analysis. With the gathering of all physical data and an analysis of all market/economic data, an appraised value will be calculated by CAMA or for special purpose or unique properties by support staff for each property. All three approaches, sales, cost, and income, will be used depending upon the applicability of the approaches to specific properties or classes of property. The final valuation will be carefully reviewed and field checked for any changes that have occurred to properties since the time of the last field inspection.

On completion of the valuation process, the county will be responsible for a careful review of the estimates for each appraised parcel. This review and inspection shall be conducted by members of the appraisal staff to identify any errors that may have occurred, and to ensure accuracy and quality of the data collected. The county will consider the indicated value of the structure and indicated value of the land against sales information concerning comparable parcels. The reviewer is to ensure that each property has been valued in relation to other properties and in accordance with state law. Fifty percent (50%) of parcels will be completed immediately before April 19 of the valuation year and the remainder before the change of value notification deadline.

A) Appraisal of Land: A separate estimate of the fair market value shall be made for each parcel of non-agricultural land as if it were vacant. The sales data covering fair market sales of vacant non-agricultural land in all property classifications shall be secured from all available sources and shall be compiled, checked, and analyzed for use in the determination of non-agricultural land values and their unit of comparison throughout the county. In the interest of fairness, equalization, and accuracy the base lot method shall be employed to determine the valuation of all market value land. IAAO defines the base lot method as: "...the standard or "base" in each stratum through a traditional sales comparison analysis with the base lot serving as the subject parcel. Once the base lot is established, it is used as a benchmark to establish values for individual parcels."¹

The county shall carefully consider all factors affecting the value of land (such as zoning, location, shape, size, topography, access to railroads, roads, waterways, present use, etc.,) and will make appropriate adjustments when establishing final values.

To the extent practical, land value computations will be made in accordance with four categories as follows:

- City and Rurban Residential - Front foot, square foot, or lot values
- Rural residential - Per acre or lot values
- Commercial - Front foot or square foot values
- Industrial - Square foot or acreage values

All established base land values for vacant and improved parcels shall be recorded on the appropriate fields of the record card and carefully checked for accuracy. All land values shall be reviewed with the same accuracy and diligence as the buildings in conjunction therewith.

(B) Improved Property: In arriving at the market value of each parcel of improved property, the county will consider all three approaches to value where applicable. The county shall make a careful analysis of the replacement cost of newly constructed buildings by using the 1995 edition of the Arkansas Assessors Real Estate Manual or a cost manual otherwise approved by ACD. Local sales data will be used to arrive at appropriate local market adjustment factors required to calibrate the cost system. Analysts shall develop appropriate local market adjustment factors by analyzing fair market value sales. These sales shall be validated by at least one of the approved ACD methods, and shall be adjusted for time as needed. All sales validation coding shall be reflected in the CAMA system. The county will employ the age-life method of depreciation using the observed condition of the property and total life expectancies based on state standards.

(1) Residential Property: The County shall inspect the exterior of each structure. Interior data will be obtained through personal interviews when possible. Construction features, characteristics, appendages, accessory buildings or irregularities for each property shall be recorded on the data collection card. Grade classification shall be distinctly considered and state appraisal guidelines followed for each building. Periodic inspections of work of all appraisal personnel

¹ Property Appraisal and Assessment Administration 1990 p. 188

will be made by the project supervisor in the grading (or classifying) of dwellings to insure correct, uniform, and consistent grade classification use.

A perimeter sketch of each residential building will be drawn in the graph space provided on the data collection card and all necessary dimensions and identification symbols will be placed on this sketch. Appendages such as attached garages, porches, etc. shall be carefully shown, with dimensions and correctly labeled. All other information on the data collection card will be filled out completely.

(2) Multi-family Income Producing Property: All income producing multifamily residential properties shall be inspected and appraised at market value. All building features, components, or characteristics as outlined shall be identified, measured and listed. The year of construction of the building shall be obtained. Other improvements such as paved drives, fencing, pools, patios, tennis courts, etc. will be identified, measured and listed. Occupancy units of each building shall be determined at the time of inspection and recorded along with any other pertinent information that could affect value or be used as the basis for units of comparison. Rental data will be extracted from reliable sources. The income approach, the cost approach, and the sales comparison approach will be considered in arriving at the final property value, when sufficient data is available. The appraised value of all properties shall be reviewed during final review by supervisory personnel and adjustments or corrections made where applicable.

(3) Commercial/Industrial Property: All commercial/industrial properties shall be inspected and appraised at market value. All building features, components, or characteristics as outlined will be identified, measured and listed. The year of the building construction will be obtained. Other improvements such as paved drives, fencing, mechanical features and equipment, etc. shall be identified, measured and listed. Occupancy of each building will be determined at the time of inspection and recorded along with other pertinent information that could affect value. Lease or rental information will be extracted from reliable sources. The income approach, the cost approach, and the sales comparison approach will be considered in arriving at the final property value, when sufficient data is available. The appraisal of all commercial property will be supported by detailed computations.

(4) Rural Property: All improvements on agricultural properties will be inspected and appraised at market value. Dwellings and improvements will be described and valued in the same manner as residential property. The object being to establish a fair, equitable, and realistic value by comparison with other like properties, and to maintain the same level of market values placed on all other classes of property within the taxing jurisdiction.

Use value of all bona fide agricultural land will be calculated using the most recent (valuation year) per acre estimates furnished by ACD. The acreage of each soil type will be calculated and its use determined by physical inspection or recent aerial photographs. The determination of a property's use shall be discovered by visual inspection whenever possible. Determination of use by aerial photograph shall be used as last resort only when the subject property cannot be accessed by vehicle.

3. Notification and Hearings: A change of value report will be generated by July 1 of the valuation year. Notices will then be mailed to all property owners having an increase in valuation, no later than ten working days after July 1 of the valuation year. These notices will show the appraised value, the classification(s) of the parcel, the assessed value, and a statement that the property owner has a right to appeal to the equalization board, including the dates when the equalization board will meet, and other requirements of Act 572 of 1999. The notice form shall be that found in the ACD rules or an alternative form approved by the ACD. ACD approval shall be in writing.

The taxpayer shall be given the opportunity to informally appeal the new assessed value. A taxpayer may file a complaint if the valuation of property has not increased or has decreased from the previous year. The taxpayer must petition to appeal before the equalization board by the third Monday in August, after which no petition for appeal will be accepted.

4. Property Classifications: All property classifications shall be reviewed and revalued as required using accepted standards for mass appraisal practice.

5. CAMA and Data Accuracy Control: The County acknowledges that the CAMA system provides the county with complete computer-assisted mass appraisal support by providing cost, market and income valuation support. It is capable of assisting in valuation of residential, commercial, industrial, agricultural and special purpose real estate properties.

The countywide reappraisal Plan will have quality assurance, performance analysis, and accuracy control for data entry.

(A) Quality assurance is the primary responsibility of the records control section. This section will check all property record cards for missing data, etc., returning all incomplete or incorrect record cards to the field section for correction.

(B) Performance analysis will be accomplished using a CAMA system or by means of manual calculations necessary for comparative analysis.

(C) Accuracy control will be the responsibility of personnel (in-house or contractor) who receive, store, dispense, monitor, and review the data.

6. Sales Questionnaire and Sales Data Collection Process: The County will develop a comprehensive data collection program using a sales questionnaire. This data and other data will be included from sources such as:

- (A) Buyers of Real Estate
- (B) Sellers of Real Estate
- (C) Real Estate Brokers
- (D) Mortgage Companies
- (E) Builders
- (F) Real Estate Sales Listings (e.g. multiple listing services)
- (G) ACD Sales Verification Form

The sales questionnaire phase will be ongoing throughout the cycle. In the field, a detailed interview will be conducted (when possible) with the resident in lieu of an interior inspection of each home. When data is in doubt a postage-paid questionnaire will be left on the door if no one is at home and the data collector has left the neighborhood.

Since the data collection will occur over an extended period and property characteristics may change during that period, a sales data maintenance program will be established.

7. Employee Training and Education: A training program will be developed which will teach basic procedures. Actual on the job training will be provided by in-house or contractor personnel to both new employees and on a continuing basis to existing employees. Additionally, appraisers must attend IAAO or Assessment Coordination Department courses necessary for attaining and maintaining levels of professional accreditation.

8. Employee Accreditation: Employees will be accredited in the Training and Designation Program provided by the Assessment Coordination Department.

9. Newly Discovered and Constructed Property: The county will be responsible for the appraisal of new construction and newly discovered property. The county shall maintain a list and dollar summation of that amount. Appraisal estimates of existing properties shall be documented in such a way that changes in value will not appear before the valuation year. New construction or newly discovered property shall be valued by considering existing methods and economic forces employed during the most recent reappraisal completion year.

PLAN SPECIFICATIONS FOR THE IN-HOUSE

REVIEW REAPPRAISAL OF _____ COUNTY, ARKANSAS

1.0 Purpose and General Information. The purpose of the plan will be to fulfill the need to reappraise property in _____ County, Arkansas in accordance with Act 1185 of 1999, as amended, and the rules implementing that Act as prescribed by the Assessment Coordination Department (ACD). The reappraisal shall be conducted over a five-year period and shall progress in two phases commencing in 20____. Phase 1 of the reappraisal project will be conducted over the first four calendar years of the five-year period. The county shall provide data collection and Computer Assisted Mass Appraisal (CAMA) System data entry for all real parcels during Phase 1. Phase 2 of the reappraisal project shall be during the fifth calendar year of the five-year period. The county shall estimate the value of all real parcels in the county, send reappraisal notices to property owners as required by Arkansas law, and defend value estimates before the county equalization board and county court during Phase 2.

2.0 The County will perform the following services.

2.1 The Assessor shall develop a reappraisal plan to be submitted to the ACD. No plan shall be in force until such time as the proposed reappraisal plan is approved by the ACD.

2.2a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all residential properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. For purposes of this Plan a thorough visual review of each property means the county will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.

2.2b Phase 2 – Estimate the value of land, buildings and improvements of all residential properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan.

2.3a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all commercial/industrial properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. Individual perimeter measurements shall be made as necessary so that at least a 95% accuracy rate for data and measurements are maintained. Interior inspection of commercial/industrial improvements is required.

2.3b Phase 2 - Estimate the value of land, buildings and improvements of all commercial/industrial properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan.

2.4a Phase 1 – Field collection and CAMA entry of relevant data about the land, buildings and improvements of all agricultural and farm properties in the County in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan. In order to determine the physical characteristics of improvements, a thorough visual review of each property is a minimum requirement. Individual perimeter measurements shall be made as necessary so that at least a 95% accuracy rate (within one foot) is maintained.

2.4b Phase 2 – Estimate the value of market value based land, buildings and improvements of all agricultural and farm properties in the county in accordance with ACD Rules implementing Act 1185 and ACD approved reappraisal plan.

2.5 Update all bona fide agricultural, timber, and pastureland values in the County. All land will be inspected, when possible to determine use. Aerial photographs no older than one year may be used to determine if its use has changed since the last update. Should a change in land use of any parcel be discovered, the county records will be made to reflect that change in the year of phase 2.

3.0 The following defined terms shall apply unless otherwise specifically provided herein.

3.1 “Apartment Real Property” or “Apartments”, including apartment complexes, means a class of parcels used as dwelling structures which were originally constructed with four (4) or more dwelling units therein, the structure of which is primarily non-resident owned.

3.2 “Commercial Real Property” or “Commercial Property” means a class of property consisting of parcels used for business or commercial purposes, including, but not limited to, stores, service centers, restaurants, and other structures designed or used for commercial purposes. Commercial real property includes:

A. All land, buildings, and other structures thereon, used or usable for commercial purposes.

B. Special purpose buildings, not classified as industrial buildings, shall be included in the appraisal of commercial property.

C. Vacant lots or other parcels of real estate in areas used for commercial purposes, or in predominantly commercial areas, or which are used in connection with commercial enterprises, or which are primarily suited for commercial developments shall be classified as commercial property except where there is another actual bona fide use in place which should be valued under that use as provided by law.

3.3 “Industrial Real Property” or “Industrial” means a class of property consisting of parcels used for industrial production or service, including plants, shops, processing establishments, and other structures designed or used for industrial purposes.

3.4 “Residential Real Property” or “Residential Property” means a class of property consisting of parcels used for residential purposes as dwellings, including houses, condominiums, and other structures designed or used for residential or dwelling purposes. The term “residential real property” additionally means all lots, parcels or tracts of land, and all dwelling houses located in the County, which are not herein defined as apartments or commercial real property.

3.5 “Agricultural Land” is land employed to generate income from growing crops, timber, or livestock or livestock feed. See ACD Rule 3.51.

3.6 “Rural Improvements” are improvements, including residential improvements, to land other than residential, rurban, or commercial land.

3.7 “Rurban Properties” are lands and/or improvements situated in platted subdivisions outside of city limits.

3.8 “Market Value” is defined by the International Association of Assessing Officers as “the most probable price, expressed in terms of money, that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.”

3.9 “Data Collection” means the process of gathering or confirming existing information about the physical characteristics of a property by inspection at its location.

3.10 “To Value” means to employ the information gathered from a physical inspection of property and from market research to estimate the market value of property as of the appropriate property tax lien date.

3.11 “Reappraisal” means the estimating of the value of all taxable real property within the county as of a given date within a given time frame.

3.12 Parcel” - For the purpose of these rules a parcel of real estate is defined as:

a. For rural property and unplatted city acreage, all contiguous land including improvements under the same ownership lying within a designated section or land grant and within the same taxing unit and constituting an economic unit.

b. For all other city property and for rurban property, all contiguous land including improvements under the same ownership lying within a platted subdivision and within the same taxing unit and constituting an economic unit.

When a portion of real estate meeting the above criteria is separately encumbered, meaning that it has a mortgage lien or other legal claim or right attached to the property,) the portion so encumbered may constitute a separate parcel. Documentation of the reason for not combining must be included in the record of each affected parcel.

For both (a) and (b) above, land separated by water or a public or private road, railroad, power line or other right of way remains contiguous.

Improvement only properties are considered separate parcels when ownership is different from the land on which the improvements are situated.

Ownership of a parcel by multiple persons or entities does not constitute multiple parcels.

Control cards, information cards, and mineral rights parcels are not to be counted as parcels when applying Act 1185 of 1999.

3.13 "Neighborhood" is a portion of a larger community, or an entire community, in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. It is that area within which any change has immediate and direct influence on the value of the subject property. Neighborhood delineation shall be in accordance with ACD Rules implementing Act 1185 of 1999, as amended.

3.14 "Thorough Visual Review" means the county will ensure that improvement characteristics are accurately accounted for and improvement measurements are maintained within one foot of actual dimensions at a 95% accuracy rate.

4.0 Base Services.

4.1 The County shall reappraise each parcel of real property in _____ County, in a sequence specified by the Reappraisal Plan as approved by ACD and in the manner prescribed by ACD Rules implementing Act 1185 of 1999, as amended.

4.2 The County will provide a computer terminal in the assessor's office where updated parcel data, including value changes, will be stored and accessible by the assessor and ACD employees.

4.3 Fifty percent (50%) of the parcel values of real property shall be completed by April 19 of the valuation year, and values of all parcels made available for placement in the assessment rolls by July 1 of the Phase 2 year.

4.4 For purposes of estimating property values, the County shall employ a CAMA System which shall be based upon ACD approved cost manuals, adjusted for locational differences and other appropriate valuation models, which will estimate property market values.

4.5 The County shall be responsible for sending notices of value changes to property owners. The notices shall comply with Act 572 of 1999 and shall be

sent no later than ten (10) business days after July 1 of the valuation year. The notice form shall be that found in the ACD rules or an alternative form approved, in writing, by the ACD.

4.6 The County shall defend property value estimates beginning with informal appeals commencing after the mailing of notices of value change and continuing through county court hearings with ample number of qualified staff available.

4.7 The County shall make every possible attempt to answer public inquiries on a timely basis.

4.8 The appraisal manager shall, upon request, give presentations to civic groups in the county. Notification of requests for presentations must be given to assessor no later than one week before any civic group presentation is made. All public relations decisions concerning the reappraisal project shall be agreed upon by the Assessor before implementation.

5.0 The following approaches will be used to estimate property values.

5.1 Cost Approach: Manuals developed by the ACD will be used for dwellings and normally associated structures. Marshall-Swift Valuation Service or other ACD approved valuation services and/or cost systems shall be used for all other properties. Appraisers shall develop appropriate local market adjustment factors by analyzing fair market value sales. These sales shall be validated by at least one of the approved ACD methods, and shall be adjusted for time as needed. All sales validation coding, and confirmation sources shall be reflected in the CAMA system. For improvements not covered by the manual, the appraisers shall make a careful investigation of construction costs in the County and may reference other cost manuals.

Depreciation will be estimated by using the most applicable of the condition, age-life, and/or market abstraction techniques to properly reflect physical, functional, and economic depreciation of the subject property.

5.2 Sales Comparison Approach: Major emphasis will be placed on the sales comparison approach to value residential property and where applicable to commercial and industrial property. The appraiser shall physically delineate neighborhoods in accordance with ACD Rules implementing Act 1185 of 1999, as amended.

Sales of comparable properties will be made available on request of residential property owners, unless the subject property is so unique that no comparable sales exist.

5.3 Income Approach: Appraisers will develop valuations considering the income capability on all appropriate commercial properties, as well as on multifamily residential properties. The values indicated by the income capability of the property will be correlated with those indicated by the cost and comparable sales approaches in order to determine a final estimate of property values.

6.0 Valuation of Land. County shall supply services of its qualified appraisers for the valuation of land in the County for all parcels to be appraised as specified in the Proposal. All factors affecting the market value of lots and parcels (such as: location, size, and shape of parcel, topography, new developments, and other factors) shall be carefully considered in the final field inspection and review. All vacant land shall be appraised at its “typical” or “most probable use” value in money as of appropriate tax lien date. The typical use of vacant residential or commercial land shall be determined by considering the primary current use of adjacent lands.

6.1 Base lot method for market value land. In the interest of fairness, equalization, and accuracy the base lot method shall be employed to determine the valuation of all market value land. IAAO defines the base lot method as: “...the standard or “base” in each stratum through a traditional sales comparison analysis with the base lot serving as the subject parcel. Once the base lot is established, it is used as a benchmark to establish values for individual parcels.”²

6.2 Agricultural Use Land Determination. Appraisers shall properly class by property use (timber, pasture, and crop lands) and soil code all bona fide agricultural properties within the county. The determination of a property’s use shall be discovered by visual inspection whenever possible. Determination of use by aerial photograph shall be used when the subject property cannot be accessed by vehicle.

7.0 Property Record Cards. County will use the standard property record card (PRC) format approved by ACD for data collection.

8.0 Valuation Date. Estimate of value of each parcel shall be as of January 1 of the Phase 2 year, or in respect to new construction or newly discovered property as of January 1 of first year placed on the assessment roll.

9.0 Sales Information. The County shall verify selling prices indicated in public records and confirm physical data and other relevant information about the property as of the date of sale.

10.0 Sales Ratio Study. The County shall generate an appraisal-to-sales price ratio study in compliance with the standards provided under Act 1131 of 2001. The study shall include a list of sales considered to be valid by the County, occurring during the year in which the plan commences until the completion date of the plan. The listing shall include parcel identification number, month and year of sale, property classification, selling price, appraised value of land and building, if applicable, total assessed value, ratio of appraised value to selling price, and aggregate mean and median ratios expressed as percentages.

A summary by taxing district shall include number of sales, vacant and improved, aggregate total selling price by class, average selling price, aggregate total appraised value, aggregate ratio, median ratio, coefficient of dispersion, and weighted coefficient of dispersion.

² Property Appraisal and Assessment Administration 1990 p. 188

11.0 Progress Reports. The County shall make monthly progress reports to the County Judge and ACD, and will hold meetings with the same as may be required or requested. Each monthly progress report shall indicate the type or types of work performed, the number and type by class of parcels appraised, and a summary showing the percentage of total project completion.

12.0 Newly Discovered and New Constructed Property. The County shall be responsible for the appraisal of new construction and newly discovered property while the plan is in force. The County shall maintain a list of and dollar summation of the amount of newly constructed and discovered property. The County shall, from available public records and other public sources, discover all newly constructed property and any other property which had previously escaped assessment in the county; collect data on the same; enter data into the CAMA system; value and cause that property to be placed on the assessment roll during the current year. The County shall comply with Act 572 of 1999 in respect to property owner notification and hearings.

12.1 Newly Discovered and New Construction Administration. Appraisal estimates of existing properties shall be documented in such a way that changes in value will not appear before the valuation year. New construction or newly discovered property shall be valued by considering existing methods and economic forces employed during the most recent reappraisal completion year.

13.0 Quality Control. The County shall implement a proven system of quality control for all major phases of the revaluation program. All work performed shall comply with requirements and standards established and promulgated by the ACD and the appropriate Standards promulgated by the International Association of Assessing Officers and adopted by ACD.

14.0 Data Entry. Data entry is the responsibility of the county.

15.0 Qualifications.

15.1 County shall submit to the ACD a statement of qualifications of all employees who will be involved in the reappraisal project. The qualifications shall meet those established in ACD Rules implementing Act 1185 of 1999, as amended.

15.2 The County will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin and will take affirmative action to insure that applicants are employed and are treated during employment, without regard to race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. County agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the county setting forth the provisions of the nondiscrimination clause. County will, in all solicitations or advertisements for employees placed by or in behalf of the County, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

16.0 Subletting and Assigning Reappraiser. The County shall not assign or transfer the reappraisal or any interest without first receiving written approval from the Director of the Assessment Coordination Department.

17.0 Changes in Plan. Changes in the plan shall be permitted only upon written agreement the Director of the Assessment Coordination Department.

18.0 Standards. In performing any obligation provided for this specification, the County agrees to comply with any and all rules, regulations, and standards of the Assessment Coordination Department. Changes to or deviation from the specifications contained herein must be submitted to and approved by the Director of the Assessment Coordination Department, prior to implementation of those changes or deviations.

19.0 Surety and Insurance. The County shall carry public liability and workman's compensation insurance which shall save harmless the county from claims, demands, and causes of action arising from any act of commission or omission of the County, its agent or employees, in the execution of their work under the terms of this agreement, including claims relating to labor and materials furnished.

20.0 Force Majeure. If, because of force majeure, any party hereto is rendered unable, wholly or in part, to carry out its obligations under the plan, then such party shall give to the other party prompt written notice of the force majeure with reasonably full details concerning it. Thereupon, the obligation of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but not longer than, the continuance of the force majeure. The affected party shall use all possible diligence to remove the force majeure as quickly as possible, but his obligation shall not be deemed to require the settlement of any strike, lockout, or other labor difficulty, or other dispute regarding contributory payment by contributors to cost of the operation of the county contrary to the wishes of the party involved. The term "force majeure" as used herein means any act of God, strike, lockout, or other industrial disturbance, act of a federal, state, or local legislature, act of a public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental restraint, unavailability of equipment, gasoline rationing, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

21.0 Laws to Govern. The plan shall be governed by the laws of the State of Arkansas, as both to interpretation and performance. The county shall conduct operations under the plan in compliance with all applicable laws.

22.0 Compliance with Assessment Coordination Department Rules. Upon finding and notification by the ACD that proper reappraisal procedures are not being followed, the county shall bring the reappraisal into compliance within the legally established thirty (30) day period. The return to proper procedure must include implementation of the corresponding ACD Compliance Verification Form (Form A-17). Should the county not bring the reappraisal into compliance within that time frame, the plan will be terminated.

23.0 Cancellation. The plan can be terminated by either party upon thirty-day (30) written notice in the event of noncompliance with the terms of the plan.

24.0 Taxpayer Litigation. Any litigation against the county and/or its officials, challenging the county's authority on the timing of placing particular parcels on the tax rolls, shall in no event, affect the plan, except as such litigation is occasioned by or due to county's noncompliance with the plan.

25.0 Payment. Payment to the county shall be made monthly based on equal payments over the term of the plan. Payments are subject to the "hold back" provisions of ACD Rule 3.17. The last four (4) payments of the plan amount will be held back until such time as the reappraisal is deemed completed by the ACD.

EFFECTIVE PLANNING

The County acknowledges that it has utilized and adhered to the following precepts in the development of this Plan and that it will also utilize and adhere to the following precepts in the implementation of this Plan:

Performing an in-house reappraisal is a major undertaking for any county, and should not be approached in a rushed or casual manner. One key element to a successful reappraisal effort is adequate planning. Poor planning for a reappraisal is usually the result of the county attempting to plan a reappraisal around current staffing levels. If the county has failed to maintain property values with current staff, over the course of several years, a plan to reappraise thousands of real estate parcels over the course of the new plan with those same employees is unlikely to be successful. A more appropriate approach is for the county to determine necessary staff levels based on the amount of appraisal work that must be completed in a fixed amount of time.

The following pages are to be utilized by the county to design a Plan which will ensure adequate manpower and other necessary resources available. The county should be acutely conscious of the following:

(1) Budgetary Considerations - The preparer of the Plan should be aware of the fact that in most cases, budgetary constraints will not allow a reappraisal to begin until January of a particular year. County budgets for a fiscal year (January through December) are established in November of the preceding year. If a county fails its ratio in September, and must hire new employees to conduct a reappraisal, it is unlikely the county would have excess funds available to shift to the assessor's budget to immediately begin hiring new employees, purchasing additional computer hardware, fund additional office space, etc. Therefore, in most cases, field work for an in-house reappraisal can not have a beginning point earlier than January 1 of the following year.

(2) Time Frame - State statutes allow a maximum of 60 months to complete the reappraisal. Those 60 months should be divided by the county into two major segments, those being; Phase 1 - data collection and entry (prior to January 1 of the fifth year), and, Phase 2 - property valuation (January 1 through June 30 of the fifth year) and the appeals process (July 1 through approximately September of the fifth year).

(3) Expected productivity - Will vary somewhat from one location to the next. A county with a high number of industrial properties will expect a smaller number of parcels to be reviewed and entered daily, while a county with a high percentage of mobile homes might expect higher than ordinary production levels.

(5) Utilizing Current Staff - Many assessors offices are fortunate to have qualified employees on staff who are knowledgeable about real estate appraisal, and can make significant contributions to a reappraisal of real estate. Often, other current employees have had at least a minimum of training regarding reappraisal, and could also participate. However, if those employees are moved to a reappraisal project, care should be taken that their current job responsibilities are not forgotten

or abandoned. For example, if a personal property clerk's job description is changed to reappraisal data entry, who will take over the responsibility of personal property assessments?

(6) Employee Qualifications - Those persons responsible for determining quality of construction or effective age (review appraisers) shall be qualified as a level 3 appraiser, or higher, as determined by the Appraiser Training and Designation Program.

Those persons responsible for determining final values shall be a level 4 or higher appraiser, as determined by the Appraiser Training and Designation Program.

EXPECTED PRODUCTION LEVELS

In order to properly plan a reappraisal, a county must have some idea of how much work product each employee is expected to contribute daily. In the "Personnel Needs" section of the Plan, the county must assign expected daily production levels for different tasks using the following information. NOTE: These production levels were established by the 1185 Rules Committee, which was made up of County Assessors, Appraisal Contractors, and ACD personnel.

FULL REAPPRAISAL PROGRAM USING DATA GATHERERS AND REVIEW APPRAISERS

Entry of Sales Data	100		
Residential		Commercial	
Quantitative data collection	25	Data collection	10
Qualitative data collection	50	Physical data entry	20
Physical data entry	40	Data entry review	30
Data entry review	250	Valuation	20
Valuation	200		

REVIEW APPRAISAL PROGRAM USING SINGLE APPRAISERS

Entry of sales data	100		
Residential		Commercial	
Physical data collection	40	Data collection	10
Physical data entry	100	Physical data entry	20
Data entry review	250	Data entry review	30
Valuation	200	Valuation	20

REVIEW APPRAISAL PROGRAM USING DATA GATHERERS AND REVIEW APPRAISERS

Entry of sales data	100		
Residential		Commercial	
Quantitative data collection	25	Data collection	10
Qualitative data collection	75	Physical data entry	20
Physical data entry	100	Data entry review	30
Data entry review	250	Valuation	20
Valuation	200		

PERSONNEL NEEDS

COUNTY ACKNOWLEDGMENT: the County acknowledges that the following analysis has been determined and set the personnel required for the successful implementation of this Plan and the staff determined to be necessary will be employed at the designated times.

_____ COUNTY
**IN HOUSE REAPPRAISAL
PERSONNEL NEEDS WORKSHEET**

SECTION 3

INSPECTION AND DATA COLLECTION - MARKET VALUE PARCELS

RESIDENTIAL/COMMERCIAL

3a. Total number of market value parcels. _____ / _____

3b. Number of workdays available from project beginning _____ to January 1 of the valuation year.
(# months X 17 work days per month) _____ / _____

3c. Number of market value parcels appraiser is expected to inspect and gather physical data daily. _____ / _____

3d. Appraisers necessary to inspect market value parcels.
(3a divided by 3b, divided by 3c) _____ / _____

3e. Total appraisers necessary to inspect residential and commercial market value parcels. _____

_____ COUNTY
IN HOUSE REAPPRAISAL

PERSONNEL NEEDS SUMMARY

PHASE 1 - INSPECTION, PHYSICAL DATA COLLECTION, AND COMPUTER DATA ENTRY FOR ALL REAL ESTATE PARCELS BY JANUARY 1 OF THE VALUATION YEAR.

TASK PERSONNEL REQUIRED

Section 1 - Inspection and Data Collection - Agri (1) _____

Section 2 - Appraisal Information Review - Agri (2d) _____

Section 3 – Inspection and Data Collection - Md. Val. (3e) _____

Section 4 - Appraisal Information Review - Mkt. Val. (4e) _____

Section 5 - Data Entry (5e) _____

Section 6 - Support Personnel (6b) _____

PERSONNEL NEEDS - PHASE I **TOTAL** _____

PHASE 2 - ESTABLISHING APPRAISED VALUES JANUARY 1 THROUGH JUNE 30, AND THE APPEALS PROCESS JULY 1 THROUGH APPROXIMATELY SEPTEMBER OF THE VALUATION YEAR.

Section 7 - Valuation Process (7g) _____

PERSONNEL NEEDS - PHASE 2 **TOTAL** _____

**CURRENT EMPLOYEES WHO WILL WORK EXCLUSIVELY
ON COUNTYWIDE REAPPRAISAL**

Employee _____

Qualifications _____

Reappraisal Tasks _____

Current Job Responsibilities _____

To Be Assumed By _____

Employee _____

Qualifications _____

Reappraisal Tasks _____

Current Job Responsibilities _____

To Be Assumed By _____

Employee _____

Qualifications _____

Reappraisal Tasks _____

Current Job Responsibilities _____

To Be Assumed By _____

Employee _____

Qualifications _____

Reappraisal Tasks _____

Current Job Responsibilities _____

To Be Assumed By _____

Employee _____
Qualifications _____
Reappraisal Tasks _____
Current Job Responsibilities _____
To Be Assumed By _____

Employee _____
Qualifications _____
Reappraisal Tasks _____
Current Job Responsibilities _____
To Be Assumed By _____

Employee _____
Qualifications _____
Reappraisal Tasks _____
Current Job Responsibilities _____
To Be Assumed By _____

Employee _____
Qualifications _____
Reappraisal Tasks _____
Current Job Responsibilities _____
To Be Assumed By _____

BUDGETING FOR IN-HOUSE REAPPRAISAL

The following pages, entitled "In House Reappraisal - Budget", should provide a detailed accounting of anticipated costs for an in-house reappraisal program. Historically, most counties have not maintained appraisal personnel necessary for systematic real estate revaluation programs. As a result the expense of performing appraisal work in the next five years may be alarming to many county officials.

Readers of the Plan should be aware that the reappraisal expenses shown on the following pages are typically in addition to the assessor's normal budget.

Care should be taken to not underestimate salaries necessary to retain qualified personnel. A county would be ill advised to anticipate hiring someone for an appraisal position, sending that person to appraisal classes, and expect to then keep a trained real estate appraiser on staff unless the county is willing to pay a competitive salary.

IN-HOUSE REAPPRAISAL - BUDGET - PHASE ONE

PHASE ONE - PERSONNEL EXPENSES

DATA COLLECTORS () From Personnel Needs Worksheet

Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense

REVIEW APPRAISERS ()

Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense

DATA ENTRY ()

Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense

SUPPORT PERSONNEL ()

Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense

PROJECT COORDINATOR ()

Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense

TOTAL PERSONNEL EXPENSE - PHASE ONE \$ _____

PHASE ONE - NON-PERSONNEL EXPENSES

Vehicle Expense or Mileage Reimbursement for Appraisers _____

Office Rent _____

Utilities _____

Telephone _____

Appraisal Supplies (Door hangers, aerial photos, appraisal cards, maps,
Computer printout paper, miscellaneous supplies) _____

Computer Hardware _____

Computer Support _____

TOTAL NON-PERSONNEL EXPENSE _____

TOTAL PERSONNEL EXPENSE (from previous page) _____

TOTAL REAPPRAISAL EXPENSE - PHASE ONE \$ _____
(PERSONNEL AND NON-PERSONNEL EXPENSES)

IN HOUSE REAPPRAISAL - BUDGET - PHASE TWO

PHASE TWO - PERSONNEL EXPENSES

APPRAISERS ()						
Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense
_____	_____		_____		_____	_____

SUPPORT PERSONNEL ()						
Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense
_____	_____		_____		_____	_____

PROJECT COORDINATOR ()						
Annual Salary Plus	Monthly		Number		Project	Personnel
Fringe Benefits (/12)	Expense	(X)	Personnel	(X)	Months	(=) Expense
_____	_____		_____		_____	_____

TOTAL PERSONNEL EXPENSE - PHASE TWO \$ _____

PHASE TWO - NON-PERSONNEL EXPENSES

Vehicle Expense or Mileage Reimbursement for Appraisers _____

Office Rent _____

Utilities _____

Telephone _____

Appraisal Supplies (Door hangers, aerial photos, appraisal cards, maps, Computer printout paper, miscellaneous supplies) _____

Computer Hardware _____

Computer Support _____

TOTAL NON-PERSONNEL EXPENSE _____

TOTAL PERSONNEL EXPENSE (from previous page) _____

TOTAL REAPPRAISAL EXPENSE - PHASE TWO \$ _____
(PERSONNEL AND NON-PERSONNEL EXPENSES)

TOTAL REAPPRAISAL EXPENSE - PHASE ONE AND PHASE TWO

\$ _____

PLANNED PROGRESS REPORT

As part of this plan, the County will submit a Planned Progress Report which will list anticipated progress of the reappraisal by month. The form and specific requirements for this report will be prescribed by the ACD.

MONTHLY PROGRESS REPORTS

As part of this plan, the county agrees to provide a monthly progress report to ACD, detailing work completed that month. The form and specific requirements for this report will be prescribed by the ACD.

REQUISITE SIGNATORIES

The County acknowledges that under A.C.A. 26-26-307, the County must file a reappraisal plan with ACD. No one county official has been charged with that responsibility under the law. The parties hereto recognize that the filing of an acceptable Plan and the implementation of that Plan is the joint responsibility of the County Officials, and the success or failure of the Plan is dependent on the cooperation and effort of the County Officials, the Municipal Officials and School Superintendents, and that each person whose signature appears on this Plan has fully read and understands its terms and the commitment of the County, the cities and the schools and their resources to the successful implementation of this Plan. Further, that the County Officials and others signing this document agree to assist in its implementation within the parameters of their official positions.

To qualify a Plan for consideration, it must at a minimum be signed by the County Assessor, County Judge and the Appraisal Manager. Signatures of the County Board of Equalization members, County Quorum Court members, and the superintendents of each school district are also requested. In the event one of the aforementioned members of the County does not sign the Plan, the Assessor must certify that the member (s) received a copy of the Plan.

Signature pages follow.

SIGNATURE PAGE: COUNTY ASSESSOR

(County Assessor signs here)

Signature

(Print name)

SIGNATURE PAGE: COUNTY JUDGE

(County Judge signs here)

Signature

(Print name)

SIGNATURE PAGE: COUNTY BOARD OF EQUALIZATION

(Board of Equalization Members sign here)

Signature

(Print Name)

SIGNATURE PAGE: COUNTY QUORUM COURT MEMBERS

(Quorum Court Members sign here)

Signature

(Print Name)

SIGNATURE PAGE: COUNTY SCHOOL SUPERINTENDENTS

(School Superintendents sign here)

Signature

(Print Name)

I, _____, _____ County assessor, hereby acknowledge that copies of the above Reappraisal Plan have been provided to the _____ County Equalization Board, _____ County Quorum Court, the affected School District Superintendents in _____ County and the Mayors of the affected cities in _____ County.

Signature

_____ County Assessor

The Appraisal Manager signing below is not obligated in a fiduciary fashion beyond his or her obligation to his or her employer and will not be held personally financially liable for the plan by signing below. By signing below the Appraisal Manager acknowledges a professional obligation to complete the reappraisal of _____ County in accordance with state law and the Code of Professional Conduct ascribed by the International Association of Assessing Officers. Failure by the Reappraisal Manager to fulfill the obligations, either by commission or omission, under state law or IAAO Code of Professional Conduct will lead to possible suspension or termination of the Reappraisal Manager's designation in accordance with the ACD Training Program rules, or other sanctions the ACD may find suitable.

Reappraisal Manager Signature

(Print name)