

**Contracted Countywide Review Reappraisal Plan  
(Three Year)**

\_\_\_\_\_ **County, Arkansas**



**Submitted to the Assessment Coordination Department on  
\_\_\_\_\_, 20\_\_\_\_\_**

**Approved by the Assessment Coordination Department on  
\_\_\_\_\_, 20\_\_\_\_\_**

**A-10a**

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## PREFACE

In accordance with Act 1185 of 1999, as amended, \_\_\_\_\_ County Arkansas (hereinafter referred to as "County") is submitting the following Contracted Countywide Review Reappraisal (hereinafter referred to as "Plan") to the Arkansas Assessment Coordination Department (hereinafter referred to as "ACD") for approval. The reappraisal conducted in accordance with this Plan shall be completed within 36 months, from January 1, \_\_\_\_\_. 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. The Preliminary Plan consists of the Preface, Three Year Countywide Review Reappraisal Plan and Bid Specifications herein contained. The Final Plan will consist of additional items including a Contract between the Appraisal Firm and the County and a Planned Progress report approved by the ACD.
2. Any proposed deviation from the Plan by the county or the appraisal company awarded the contract (i.e., amendments to the Plan) must be submitted in writing and approved by the ACD. The proposal must clearly state the factor(s) necessitating the deviation. After preliminary approval of deviation from this plan, an addendum to the contract with the Appraisal Company must then be prepared immediately, along with the amended Plan, both of which are to be executed in the same manner as the original contract. The ACD shall then issue its approval provided the final documents comport with the proposed deviation.
3. Failure of the contractor to abide by provisions of it shall result in the termination of the Plan and immediately cause the termination of the contract.
4. Prior to termination of the Plan, the ACD shall notify the Contractor setting out the factors giving rise to the preliminary decision to terminate the Plan and afford the Contractor an opportunity to appear before the Director of the ACD to show cause why the Plan should not be terminated.

## **CONTRACTED COUNTYWIDE REVIEW REAPPRAISAL 3 YEAR PLAN**

The Appraisal Company agrees to abide by the International Association of Assessing Officers (IAAO) Standards. The Company is aware that its failure to abide by all terms of the contract with the County, including a failure to abide by the foregoing standards, shall be sufficient cause to allow the ACD to withhold approval of any future contracts until the Appraisal Company has fully complied with its past contractual obligations.

**Contracted Reappraisal Plan requires that the Appraisal Company performs the following:**

- 1.** Contractor 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 contractor 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 1440 of 1999, 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 Appraisal Company 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 contractor 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 Appraisal Company will abide by the Standards and Procedures described herein.

## **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 contractor 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 accomplishment.

Recognizing that a taxpayer contact represents a public relations opportunity, employees shall 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 shall occur in their area.

Public relations will be the responsibility of all employees involved in the countywide reappraisal program. The fundamental responsibility for implementation belongs to the County Assessor.

**2. Valuation Methodology:** The first phase of the valuation component will be data collection and analysis. The physical data and an analysis of all market/economic data, will render an appraised value calculated by CAMA, or for special purpose or unique properties by support staff, for each property. All three approaches (sales comparison, 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 Appraisal Company will be responsible for a careful review of the estimates for each appraised parcel. The review and inspection shall be conducted by members of the appraisal staff, and is intended to identify any errors that may have occurred, to ensure accuracy and quality of data collected. The Appraisal Company shall 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 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 units 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."<sup>1</sup>

The Appraisal Company 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 shall 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 value of each parcel of improved property, the Appraisal Company will consider all three approaches to value where applicable. The Company 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 the Assessment Coordination Department. Local sales data will be used to arrive at appropriate local market adjustment factors required to calibrate the cost system. The contractor 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 Appraisal Company will employ the age-life method of depreciation using the observed condition of the property and total life expectancies based on state standards.

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<sup>1</sup> Property Appraisal and Assessment Administration 1990 p. 188

**(1) Residential Property:** The Appraisal Company shall inspect the exterior of each structure. Interior data shall 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 shall 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 on the data collection card and all necessary dimensions and identification symbols shall be placed on this sketch. Appendages such as attached garages, porches, etc. shall be carefully shown with dimensions and labeled accordingly. 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. shall 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 shall be extracted from reliable sources. The income approach, cost approach, and 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 will be inspected and appraised at market value. All building features, components, or characteristics as outlined will be identified and listed. The year of the building construction will be obtained. Other improvements such as paved drives, fencing, mechanical features, 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 shall be extracted from reliable sources. The income approach, cost approach, and 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 is to establish a fair, equitable, and realistic value by comparing properties with other like properties, and to maintain the same level of

market values placed on all other classes of property within the taxing jurisdiction.

The use value of all bona fide agricultural land will be calculated using the most recent (valuation year) per acre estimates furnished by the 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, classification(s) of the parcel, 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 shall 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 appear before the equalization board by the third Monday in August, after which no petition for appeal shall be accepted.

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

**5. CAMA and Data Accuracy Control:** The Appraisal Company 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 contracted reappraisal Plan shall 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 who receive, store, dispense, monitor, and review the data.

**6. Sales Questionnaire and Sales Data Collection Process:** The Appraisal Company will develop a comprehensive data collection program using the sales questionnaire. This data and other data shall 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 on going 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 shall be established.

**7. Employee Training and Education:** A training program will be developed which will teach basic procedures. The appraisal company will provide on the job training to new employees and on a continuing basis to existing employees. Additionally, appraisers must attend IAAO and 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 New Constructed Property:** The contractor will be responsible for the appraisal of new construction and newly discovered property. The contractor 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.

# BID SPECIFICATIONS FOR CONTRACTING

## THE REVIEW REAPPRAISAL OF \_\_\_\_\_ COUNTY, ARKANSAS

**1.0 Purpose and General Information.** The purpose of the contract 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 three-year period and shall progress in two phases commencing in 20\_\_\_\_. Phase 1 of the reappraisal project will be conducted over the first two calendar years of the three-year period. The contractor 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 third calendar year of the three-year period. The contractor 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 Contractor will provide the following services.**

**2.1** The contractor, in conjunction with the Assessor, shall develop a reappraisal plan to be submitted to the ACD. No contract 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 contractor 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” means all contiguous land capable of being conveyed on a single deed except when the land crosses a taxing unit or section lines. An “Improvement Only” is considered a separate parcel from the land. The legal description of each parcel shall be unique to that parcel. Ownership of a parcel by multiple persons does not constitute multiple parcels. Control cards, information cards, and severed mineral rights are not parcels as used herein.

**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 contractor 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** Contractor 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 or WILL NOT (circle one) provide office space. A contractor that employs off site data entry shall ensure that new construction and newly discovered parcels are accurately reflected in the Assessor's office. The contractor 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. At no time shall the information stored in the assessor's office be more than thirty (30) days out of date compared to the information maintained at the off site data entry point.

**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 Contractor 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** Contractor 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** Contractor 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. Defense of property value estimates at the Circuit Court level shall be separately billed and shall be negotiated by the contractor and the county.

**4.7** All county records removed from the courthouse by the Contractor shall be sufficiently insured at full replacement value. In the event that county records are lost or destroyed after being removed from the courthouse by the contractor, it shall be the contractor's responsibility to replace said records or to pay the full cost of replacement.

**4.8** All records, working documents, manuals, pricing data, maps, aerial photographs, plats, and other materials shall be the property of the county and shall be considered official courthouse records at the conclusion of the project.

**4.9** Contractor shall make every possible attempt to answer public inquiries on a timely basis.

**4.10** Appraisal manager or senior representative of the Appraisal Company 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. Contractors 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 Contractor 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 Contractor 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:** Contractor 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.** Contractor 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. IAEO 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.”<sup>2</sup>

**6.2 Agricultural Use Land Determination.** Contractor 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.** Contractor 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.** County shall continually and concurrently provide copies of all sales information available to it with respect to transfers of parcels occurring from the beginning through the duration of the Contract. The Contractor 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.** Contractor shall generate and supply to the County 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 Contractor, occurring during the year in which the contract commences until the completion date of the contract. The listing shall include parcel identification number,

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<sup>2</sup> Property Appraisal and Assessment Administration 1990 p. 188

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.

**11.0 Progress Reports.** Contractor shall make monthly progress reports to the County Judge, County Assessor, 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.** Contractor shall be responsible for the appraisal of new construction and newly discovered property while the contract is in force. The Contractor shall maintain a list of and dollar summation of the amount of newly constructed and discovered property. The Contractor 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 Contractor 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.** Contractor 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.

**13.1 Off Site Data Entry.** Contractors maintaining CAMA data off site from the assessor's office will employ a system of compare routines that insure the Assessor and the contractor match data regarding owner name, sales data, billing addresses, and current year valuation amounts.

**13.2 New Construction, Newly Discovered Entry.** Projects that employ off site entry shall take special care to see that the new construction and newly discovered parcels are accurately reflected in the Assessor's office.

**14.0 Data Entry.** Data entry is the responsibility of the contractor.

**15.0 Qualifications of Contractor.**

**15.1** Contractor shall submit to the county and 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, upon written notice to the Contractor's Reappraisal Manager, or the principle of the company, may request the removal of any person or persons that the county considers to be incompetent or negligent in the performance of their duties, or who shall be deemed to be guilty of misconduct. Such written notice shall state in detail the basis for the request with justification indicating the facts of the request, and when at the request of the county shall be signed by the county assessor.

**15.3** Contractor 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. Contractor 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. Contractor will, in all solicitations or advertisements for employees placed by or in behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

**16.0 Conflict of Interest.** Contractor shall not contract with or employ a county official or immediate relative of a county official in connection with the revaluation project. This provision does not bar county employees from resigning their positions with the county and subsequently becoming employees of the contractor.

**17.0 Relationship of Parties.** The relationship of the contractor to the county shall be that of an independent contractor, and no principal-agent or employer-employee relationship will be created by the agreement. The contractor shall not subcontract any work under contract without written approval of the county and the Director of the Assessment Coordination Department.

**18.0 Subletting and Assigning Contract.** Contractor shall not assign or transfer the contract or any interest without first receiving written approval from the county and the Director of the Assessment Coordination Department.

**19.0 Change in Contract.** Changes in the contract shall be permitted only upon written mutual agreement of the Contractor, the county, and the Director of the Assessment Coordination Department.

**20.0 Standards.** In performing any obligation provided for this specification, the Contractor 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.

**21.0 Surety and Insurance.** Contractor 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 Contractor, its agent or employees, in the execution of their work under the terms of this agreement, including claims relating to labor and materials furnished.

**22.0 Force Majeure.** If, because of force majeure, any party hereto is rendered unable, wholly or in part, to carry out its obligations under the contract, 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, lighting, 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.

**23.0 Laws to Govern.** Contract shall be governed by the laws of the State of Arkansas, as both to interpretation and performance. The contractor shall conduct operations under the contract in compliance with all applicable laws.

**24.0 Compliance with Assessment Coordination Department Rules.** Upon finding and notification by the ACD that proper reappraisal procedures are not being followed, the contractor 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 contractor not bring the reappraisal into compliance within that time frame, the contract will be terminated.

**25.0 Indemnity.** The contractor will defend, save harmless and exempt \_\_\_\_\_ County Government, its officers, agents, and employees from and against any and all damages, costs, expenses and attorney's fees resulting from injury to persons or damage to property suffered in connection with work done in the performance of the contract. The county reserves the right to retain counsel of its choice at its own expense or, in the alternative, approve counsel obtained by the contractor.

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

**27.0 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 contract, except as such litigation is occasioned by or due to contractor's noncompliance with the contract.

**28.0 Payment.** Payment by the county to the contractor shall be made monthly based on (Choose one: "equal payments over the term of the contract" or "production level"). Payments are subject to the "hold back" provisions of ACD Rule 3.17. The last four (4) payments of the contract amount will be held back until such time as the reappraisal is deemed completed by the ACD.

**29. Late Charge.** Contractor will complete the work within the time frame specified in ACD Rules implementing Act 1185 of 1999, as amended. If the contractor fails to complete the work within the time specified, the contractor shall pay the county, as liquidated damages, and not in the nature of a penalty, the sum of \$500.00 for each day delayed, (Saturdays, Sundays, and official state holidays excluded) which shall be deducted from the final amount to be paid under the contract. The County Judge reserves the right to relieve the Contractor of said late charge.

**30. Checklist for Services to Be Provided.** The following checklist must be submitted as part of the bid specifications:

**1. Contractor Required Services**

- Finished Property Record Cards
- Sectionalized Aerial photos (If county does not already have most current) (Sectionalized is defined as – The process of drawing and/or displaying linear representations of Section, Township and Range lines on aerial photography and labeling same.)
- Real estate appraisal
- Field data collection
- CAMA system data entry
- Agricultural, timber & pasture land value update
- Appraisal notice mailing
- Value estimate defense
- Public inquiries about property values (informal appeals)
- Property sales verification
- Sales ratio study (compliance with 10.0 of the bid Specifications)
- Progress reports to county officials and ACD
- Discovery of new construction from public records and sources
- Valuation of newly discovered property in the current assessment year
- Property addresses where reasonably attainable
- Most recent ACD soil summary
- Quality Control (compliance with 13.0 of the Bid Specifications)
- Liability and workman’s compensation insurance (compliance with 21.0 of the Bid Specifications)
- Reappraisal Planned Progress submitted to ACD
- Office space
- Office furnishings
- CAMA Computer software maintenance

**2. County Required Services**

- Sales information (compliance with 9.0 of the Bid Specifications)
- Ownership records
- Combine parcels in accordance with Act 2090, 2005.

<b>3. Additional Services to be provided by:</b>	<b>Contractor</b>	<b>County</b>
Reappraisal plan submitted to ACD	_____	_____
Office Space	_____	_____
Office furnishings	_____	_____
Digital photography	_____	_____
Computer hardware	_____	_____
Computer software maintenance	_____	_____
CAMA Reappraisal	_____	_____

## **PLANNED PROGRESS REPORT**

As a part of this plan, the Contractor 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**

The Contractor agrees to provide a monthly progress report to the 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 the Assessment Coordination Department. 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, the County Officials and others signing this document agree to assist in its implementation within the parameters of their official positions.

To qualify a Contracted Plan for consideration, it must at a minimum be signed by the County Assessor, County Judge, and Principal of the Appraisal Firm, and the reappraisal manager, unless a waiver of the requirement is obtained from the Director of the ACD for good cause shown. Signatures of the county's Board of Equalization, Quorum Court, and school district Superintendents are also requested. In the event one of the aforementioned 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: APPRAISAL FIRM**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Company Principle 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 and Bid Specifications 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. Additionally, copies of the Plan and Bid Specifications have been sent to each registered reappraisal company in Arkansas, and each has been requested to bid upon the project described above.

\_\_\_\_\_  
Signature

\_\_\_\_\_ County Assessor

Upon acceptance of a proposal by a reappraisal company, the following signatures shall be added to the Plan. 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 contract 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)