ASSESSMENT COORDINATION DEPARTMENT

STATE OF ARKANSAS

RULES AND REGULATIONS

Effective July 23, 2014

Chapter 1: General Provisions **1**

1.01 Statutory Authority Creating Assessment Coordination Department 1
1.02 General Scope of Authority 1
1.03 Description of Organization 1
1.04 Public Inspection 2
1.05 The Arkansas Freedom of Information Act of 1967 2
1.06 Assessment Coordination Department Best Practices Advisory Group 3

Chapter 2: General Rules of Practice and Procedure **5**

2.01 Petitions for Declaratory Orders 5
2.02 Public Right to Petition 5
2.03 Administrative Hearing Advisory Board 5
2.04 Adjudicative Hearings 6
2.05 Computer Information System Data Integrity 13

Chapter 3: Implementation of Act 1185 of 1999 **25**

3.01 Appraisal Manager Examination 25
3.02 Prerequisites for Appraisal Manager Exam 25
3.03 Date of Appraisal Manager Exam 25
3.04 Administration of Appraisal Manager Exam 26
3.05 Submission of Reappraisal Plans 26
3.06 Due Date for Reappraisal Plans 27
3.07 Reappraisal Plans for 2, 3, 4, or 5 Years 27
3.08 Exceptions to Rule 3.7 27
3.09 Format for Reappraisal Plans 28
3.10 Parcel Count Information 28
3.11 Order of Reappraisal Progress 28
3.12 Reappraisal Manager to be named in Reappraisal Plan 29
3.13 Existing Resources 29
3.14 Reappraisal Budgets 30
3.15 Minimum Expected Production Levels for In-house Reappraisals 30
3.15.1 Full Reappraisal Program Using Single Appraisers 30
3.15.2 Full Reappraisal Program Using Data Gatherers and Review Appraisers 30
3.15.3 Review Appraisal Program Using Single Appraisers 31
3.15.4 Review Appraisal Program Using Data Gatherers and Review Appraisers 31
3.16 Allowable Expenses 31
3.17 Funding 31
3.18 In-house Reappraisal Plans - Signature Requirements 32
3.19 Contracted Reappraisal Plans - Signature Requirements 32
3.20 Progress Reports from Appraisal Manager to ACD 32

3.21	Reimbursement to Counties in Equal Payments	33
3.22	Direct Deposits	33
3.23	Revenue Shortfalls	33
3.24	ACD to Conduct Performance Audits	33
3.25	Scope of Phase One Performance Audits	34
3.26	Design of Property Record Cards	34
3.27	Scope of Phase Two Performance Audits	36
3.28.1	Neighborhood Delineation for Residential Neighborhoods	37
3.28.2	Neighborhood Delineation for Commercial Neighborhoods	37
3.28.3	Neighborhood Delineation for Rural Areas	37
3.29	Location Factors	38
3.30	Minimum Acceptable Standards for Performance Audits	38
3.31	Failure to Comply with Standards of Performance Audit	39
3.32	Misrepresentation	40
3.33	Force Majeure	40
3.34	CAMA Systems Required	41
3.35	Computer Data Property of County	41
3.36	Required Reports	41
3.37	Downloading CAMA Data	41
3.38	Bid Specs for Contracted Reappraisals	42
3.39	Bids Required for Contracted Reappraisals	42
3.40	Payment in Kind Services	43
3.41	Reappraisal Plans Required	43
3.42	Reappraisal Budgets Required	44
3.43	Reappraisal Contracts Required	44
3.44	Rejection of Reappraisal Plans	44
3.45	Conflicts with Acts 440 and 836 of 1997	44
3.46	Special Needs	44
3.47	Minimum Qualifications for Appraisal Tasks	45
3.47.1	Minimum Qualifications for Appraisal Manager	45
3.47.2	Minimum Qualifications for Other Appraisal Tasks	45
3.48	Maximum Annual Funding for Reappraisals/Reviews	46
3.49	Maximum Funding for Appraisals of New Construction	46
3.50	Assessors Duties Other than Reappraisal Costs not6 Eligible for Funding	46
3.51	Definitions Relating to Chapter 3 Rules	46
3.52	Waiver	48

Chapter 4: Implementation of Specific Statutes 49

4.01	Procedures Generally - Extension of Levy Date	49
4.02	General Authority to Promulgate Rules and Regulations & prescribe forms	49
4.03	Extension of Time	49
4.04	Ratio of Assessed Value to Market Value - Effect on State Aid or Turn-Back Funds	49
4.04.1a	Purpose, Authority, and Objective of Ratio Study Rules	50
4.04.1b	Ratio Study Required Dates	51
4.04.1c	Sales Used in Ratio Studies	53

4.04.1d	Adjustment of Sales for Ratio Studies	55
4.04.1e	Compliance with Ratio Studies Standards Required	56
4.04.1f	Appeal of Results of Ratio Study Findings	57
4.04.1g	Other Components of Ratio Study	57
4.05	General Rules for Appraisal Contractors	62
4.05.1	Removal of Appraisal Company	63
4.06	Countywide Reappraisal of Property	63
4.07	Completion of Reappraisal - Suspension of Penalties	63
4.08	Procedure for Adjustment of Taxes After Reappraisal or Reassessment of Property	65
4.08.1	Definitions Applying to Amendment 59 and Act 848 of 1981	66
4.08.2	Definitions Relating to Amendment 79	67
4.09	Comprehensive Countywide Reappraisals - Applicability	68
4.10	Certification of Assessed Value Data	68
4.11	Computation and Certification Form	69
4.12	Personal Property Interim Millage Adjustment	69
4.13	Valuation Guidelines	69
4.14	Implementation of Millage Rollback in Fringe School Districts	69
4.15	Training Criteria for Appraisers	70
4.16	Property Used for Other than Church Purposes	70
4.17	Assessment of Personal Property Taxes by Mail or by Telephone	70
4.18	Valuation Procedures	71
4.19	Uniform Notice of Real Estate Value Change	71
4.19.1	Uniform Notice of Newly Discovered/Newly Constructed Property	71
4.20	Homestead Credit Application/Sales Verification	72
4.21	Authority to Promulgate Rules and Regulations for the Implementation of Uniform CAMA Standards	72
4.22	CAMA Standards and System Compliance Certification	72
4.23	Creation and Purpose of the Arkansas CAMA Compliance And Certification Advisory Board	73
4.24	Appointment and Terms of Service of Members of the CAMA Compliance and Certification Advisory Board	73
4.25	Organization and Meetings of the Board	74
4.26	Testing of CAMA Systems	74
4.27	Use Problems	75
4.28	Penalties in the Event of Noncompliance	75
4.29	Change in Market Value Between Reappraisals	75

Chapter 5: Uniform Reporting **77**

5.01	Uniform Reporting of Assessments	77
5.02	Uniform Reporting of Delinquent Taxes	77
5.03	Uniform Reporting of County Tax Settlements	77
5.04	Responsibilities of Those Providing Information	78

Appendix: Assessment Coordination Department Valuation Guides and Forms **79**

Valuation Guides 79
Forms
For use by Assessors or Reappraisal Firms 79
For use by County Clerks 80
For use by Governing Bodies of Taxing Units 80
For use by Equalization Board & County Clerk as Ex-Officio Secretary of the County Equalization Board 80
Miscellaneous 81

CHAPTER ONE

GENERAL PROVISIONS

RULE 1.01
STATUTORY AUTHORITY CREATING ASSESSMENT COORDINATION DEPARTMENT

Act 436 of 1997 created the ASSESSMENT COORDINATION DEPARTMENT and pursuant to Arkansas Code Annotated 25-2-102 (Type 2 transfers) transferred the Assessment Coordination Division from the Public Service Commission to the Assessment Coordination Department.

Adopted 10/01/99

RULE 1.02
GENERAL SCOPE OF AUTHORITY

STATUTORY AUTHORITY: A.C.A. 25-28-103, 26-24-102, and 26-24-107.

The ASSESSMENT COORDINATION DEPARTMENT has the full power and authority in the administration of the property tax laws of this state to exercise general and complete supervision and control over:

1. The valuation, assessment and equalization of all property in the state of Arkansas except that remaining under the jurisdiction of the Public Service Commission;

2. The several county assessors, county boards of review and equalization, and other officers charged with assessment or equalization of property throughout the state, to the end that all assessments on property in this state shall be made in relative proportion to the just and true value thereof, in substantial compliance with the law.

Adopted 10/01/99

RULE 1.03
DESCRIPTION OF ORGANIZATION

The Assessment Coordination Department welcomes inquiries from the public. Areas of responsibility are assigned to Divisions within the Department.

The Assessment Coordination Department is composed of an Administrative body consisting of its Director, Deputy Director, Legal Counsel, Division Administrators, and support staff.

1. Division One is comprised of the Director, Deputy Director, Legal Counsel, and Division Administrators.

2. Division Two encompasses the following areas: Personal property assessment, business personal property data collection and assessment, educational programs, oil and gas assessment, agricultural land assessment, and the personal and business property ratio study.

3. Division Three encompasses the following areas: Computer operations, data management, statistical analysis, and overall coordination of the real estate property ratio study.

4. Division Four encompasses the following operations: personnel, budgeting/ accounting, fiscal operations, compilation and formalization of annual ratio studies, collection and publication of assessment and millage data, auditing of and assistance with county millage rollbacks, and support services for interdepartmental divisions.

5. Division Five encompasses the following areas: Data collection and confirmation on real estate assessments, personal property assessments collection and field appraisals.

Adopted 10/01/99

RULE 1.04
PUBLIC INSPECTION

All orders, decisions, opinions, rules and other written statements of policy or interpretations formulated, adopted or used by the ASSESSMENT COORDINATION DEPARTMENT in the discharge of its functions are available for copying and public inspection at its offices at 1614 West Third Street, Little Rock, Arkansas during the regular business hours of the custodian of the records which is generally between the hours of 8:00 a.m., and 4:30 p.m., Monday through Friday of each week, with the exception of state holidays.

Adopted 10/01/99

RULE 1.05
THE ARKANSAS FREEDOM OF INFORMATION ACT OF 1967

STATUTORY AUTHORITY: A.C.A. 25-19-101 et. seq.

The Assessment Coordination Department shall fully comply with The Arkansas Freedom of Information Act of 1967, as amended. Photocopies of documents shall be $.50 each.

Adopted 10/01/99

RULE 1.06

ASSESSMENT COORDINATION DEPARTMENT BEST PRACTICES ADVISORY GROUP

There are hereby created the Assessment Coordination Department (ACD) Best Practices Advisory Groups. The Groups shall advise and assist the ACD Director in the development of standards for Best Practices in all areas of property assessment in Arkansas, including but not limited to the discovery, listing and valuation of property and ACD auditing procedures. Their role will be advisory only and not binding upon the Director.

Membership

The Director shall appoint members from a list of volunteers. All people employed in the assessment profession or interested in the assessment profession, including those from Arkansas and those from other states will be eligible for appointment. Members shall serve for a term of one year and may be reappointed by the director. The Director may remove any member absent from three meetings during a calendar year.

The nine standing Groups are:

1. Mass Appraisal - Residential
2. Mass Appraisal - Commercial
3. Mass Appraisal – Agricultural
4. Mass Appraisal - Mineral
5. Personal Property
6. Education
7. Mapping, CAMA and records management
8. Procedural Audit and Sales Ratio Study
9. Public Relations

Each Group will consist of seven members. From that group, the Director will choose one member to serve as Chairperson. From time to time the Director at his or her discretion may form ad hoc Advisory Group Committees to address issues not within the purview of a standing Group.

Meetings

Each Best Practices Advisory Group must hold its initial meeting every year in January. The Chairperson shall be responsible for coordinating meetings, drawing up documents, outlining recommended best practices, appointing a secretary for the Group and reporting the Group findings to the Director. The minutes from each Group meeting shall be submitted to ACD within ten (10) working days from the date the meeting is adjourned.

The Director may remove any member absent from the January meeting or if the member is absent from three meetings during a calendar year.

Notice

Immediately upon adoption of this rule, the director shall mail an announcement to each county assessor, each appraisal contractor in Arkansas and each ACD employee an announcement of the formation of the nine Advisory Groups. Each county assessor and contractor shall place the announcement in a conspicuous place for all employees to see. Accompanying the announcement will be a volunteer sign up sheet, which any eligible individual may return to the Director to be considered for inclusion in a Best Practices Advisory Group.

Adopted 07/05/04
Amended 12/07/12

CHAPTER TWO

GENERAL RULES OF PRACTICE AND PROCEDURE

RULE 2.01
PETITIONS FOR DECLARATORY ORDERS

STATUTORY AUTHORITY: A.C.A. 25-15-206

Pursuant to Acts 1967, No. 434, Petitions for declaratory orders as to the applicability of any rule, statute, or order enforced by The Assessment Coordination Department shall be in writing and signed by the petitioner. Petitions shall be filed in duplicate with the Director of the Department, who shall have the date of receipt stamped thereon and return one copy to the Petitioner. All petitions for declaratory orders shall be titled as such.

1. In those instances in which the Department's response to a petition for a declaratory order is to be based on the opinion of the Attorney General, the Director shall issue its Declaratory Order promptly on receipt of the official opinion of the Attorney General.

2. With respect to all other petitions, the Director shall issue a Declaratory Order in response to said petition within fifteen (15) working days from the date of filing by mailing a copy of the order to petitioner by certified mail.

Adopted 10/01/99

RULE 2.02
PUBLIC RIGHT TO PETITION

STATUTORY AUTHORITY: A.C.A. 25-15-204

Any person has the right to petition for the issuance, amendment, or repeal of any rule. Within thirty (30) days after submission of a petition, the Assessment Coordination Department shall either deny the petition, stating in writing its reasons for the denial, or shall initiate rule-making proceedings.

Adopted 10/01/99

RULE 2.03
ADMINISTRATIVE HEARING ADVISORY BOARD

A. There is hereby created an Administrative Hearing Board (hereinafter called the Hearing Board) which shall consist of (7) members appointed by the director of the ACD as follows:

- Four Appraisal Managers. One representing each congressional district;
- One member representing public education;

- One at-large member that is a property owner and a resident of the state of Arkansas representing taxpayers;

- One Assessor who has an ACD Level 4 Designation.

B. Each Hearing Board member will serve for three years except for the first year when the members will draw lots to initiate the necessary staggered terms system. The first working year shall begin immediately upon adoption of this rule and last until the 2nd Monday in January, 2008 when the second year shall begin and each year shall continue in a like manner thereafter.

C. At the first meeting of the Hearing Board each year, after the new appointees to the Board have taken office, the Board shall elect a Chairman and a Secretary for that year.

D. Appointment to the Board shall be made by the Director of the ACD, after seeking nominations from organizations or individuals representing each of the required sectors.

E. A board member may be dismissed by the chairman if they cease to meet eligibility requirements herein or fail to attend 3 consecutive meetings without justification, or for other reasonable cause.

Adopted 12/20/06

RULE 2.04
ADJUDICATIVE HEARINGS

STATUTORY AUTHORITY ACA: 25-15-208.

A. SCOPE

The provisions of the Arkansas Administrative Procedures Act, as amended, are applicable to all final orders and decisions of the Assessment Coordination Department (ACD). This Rule applies to, but is not limited to, all requests for administrative adjudications concerning such decisions and orders resulting from ACD: out of compliance findings and directives for corrective action; termination of reappraisal contracts and plans; removal of appraisal companies from the list of registered contractors; decisions suspending or revoking professional designations of appraisers and appraisal managers; and any impositions of civil penalties. The provisions of the Administrative Procedures Act addressing "licensing" is applicable in situations where ACD rules refer to "professional designations".

B. PRESIDING OFFICER

The Chairman of the Administrative Hearing Advisory Board (Hearing Board) shall request the Attorney General to provide a presiding officer to preside at the hearing. If the Attorney General does not provide a hearing officer the chairman may preside or designate other members of the Board to preside**.**

C. APPEARANCES

1. Any party appearing in the Department proceeding has the right, at his or her own expense, to be represented by counsel.

2. A party may request a formal hearing, or adjudicatory proceeding, on his or her own behalf or may do so through an attorney.

3. Any attorney representing a party to an adjudicatory proceeding must file notice of appearance promptly upon being retained.

4. Service on counsel of record is the equivalent of service on the party represented.

5. On written motion, served on the party represented and all other parties of record, the presiding officer may grant counsel of record leave to withdraw for good cause shown.

D. CONSOLIDATION

If there are separate matters that involve similar issues of law or fact, or identical parties, the matters may be consolidated if it appears that consolidation would promote the just, speedy, and inexpensive resolution of the proceedings, and would not unduly prejudice the rights of a party.

E. NOTICE TO INTERESTED PARTIES

If it appears that the determination of the rights of parties in a proceeding will necessarily involve a determination of the substantial interests of persons who are not parties, the presiding officer may enter an order requiring that an absent person be notified of the proceeding and be given an opportunity to be joined as a party of record.

F. SERVICE OF PAPERS

Unless the presiding officer otherwise orders, every pleading and every other paper filed for the proceeding, except applications for witness subpoenas and the subpoenas, shall be served on each party or the party's representative at the last address of record.

G. INITIATION & NOTICE OF HEARING

1. An administrative adjudication is initiated by the request of the respondent for a formal hearing and upon which event the ACD shall issue a notice of hearing.

2. The notice of hearing will be sent to the respondent by U.S. Mail, return receipt requested, delivery restricted to the named recipient or his agent. Notice shall be sufficient when it is so mailed to the respondent's latest address on file with the agency.

3. Notice will be mailed at least 20 days before the scheduled hearing.

4. The notice will include:

    a. A statement of the time, place, and nature of the hearing;

    b. A statement of the legal authority and jurisdiction under which the hearing is to be held: and

    c. A short and plain statement of the matters of fact and law asserted.

H. MOTIONS

All requests for relief will be by motion. Motions must be in writing or made on the record during a hearing. A motion must fully state the action requested and the grounds relied upon. The original written motion will be filed with the agency. When time allows, the other parties may, within seven (7) days of the service of the written motion, file a response in opposition. The presiding officer may conduct such proceedings and enter such orders as are deemed necessary to address issues raised by the motion. However, a presiding officer will not enter a dispositive order or decision unless expressly authorized in writing to do so, otherwise the motion must be heard and ruled on by a majority of the members of the Hearing Board that are present.

I. ANSWER

The party filing the request for a hearing shall be called the respondent. A respondent may, but is not required to, file an answer or objection to the action of the department that brought about the request for an adjudicative hearing.

J. DISCOVERY

1. Upon written request, the agency will provide the information designated in A.C.A §25-15-208 (a) (3).

2. Such requests should be received by the agency at least 10 days before the scheduled hearing.

K. CONTINUANCES

1. The presiding officer may grant a continuance of hearing for good cause shown. Requests for continuances will be made in writing. The request must state the grounds to be considered and be made as soon as practicable and, except in cases of emergencies, no later than five (5) days prior to the date noticed for the hearing. In determining whether to grant a continuance, the presiding officer may consider:

    a. Prior continuances;

    b. The interests of all parties;

    c. The likelihood of informal settlements;

    d. The existence of an emergency;

    e. Any objection;

    f. Any applicable time requirement;

    g. The existence of a conflict of the schedules of counsel, parties, or witnesses;

    h. The time limits of the request; and

    i. Other relevant factors.

2. The presiding officer may require documentation of any grounds for continuance.

L. HEARING PROCEDURES

1. A simple majority of the Hearing Board shall constitute a quorum. The presiding officer: presides at the hearing, declares a quorum of the Hearing Board present or not present, may rule on motions, require briefs, and issue such orders as will ensure the orderly conduct of the proceedings; provided, however, any presiding officer shall not enter a dispositive order of the case unless expressly authorized in writing by a majority of the Board participating in the hearing to so do.

2. All objections must be made in a timely manner and stated on the record.

3. Parties have the right to participate and to be represented by counsel in all hearings or pre-hearing conferences related to their case.

4. Subject to terms and conditions prescribed by the Administrative Procedure Act, parties have the right to introduce evidence on issues of material fact, cross-examine witnesses as necessary for a full and true disclosure of the facts, present evidence in rebuttal, and, upon request by the Hearing Board or the presiding officer, may submit briefs and engage in oral argument.

5. The presiding officer is charged with maintaining the decorum of the hearing and may refuse to admit, or may expel, anyone whose conduct is disorderly.

M. ORDER OF PROCEEDINGS

The presiding officer will conduct the hearing in the following manner:

1. The presiding officer will give an opening statement, briefly describing the nature of the proceedings.

2. The parties are to be given the opportunity to present opening statements.

3. The parties will be allowed to present their cases in the sequence determined by the presiding officer.

4. Each witness must be sworn or affirmed by the presiding officer, or the court reporter, and be subject to examination and cross-examination as well as questioning by the Hearing Board. The presiding officer may limit questioning in a manner consistent with the law.

5. When all parties and witnesses have been heard, parties may be given the opportunity to present final arguments.

N. EVIDENCE

1. The presiding officer shall rule on the admissibility of evidence and may, when appropriate, take official notice of facts in accordance with all applicable requirements of law.

2. Stipulation of facts is encouraged. The Hearing Board may make a decision based on stipulated facts.

3. Evidence in the proceeding must be confined to the issues set forth in the hearing notice, unless the parties waive their right to such notice or the presiding officer determines that good cause justifies expansion of the issues. If the presiding officer decides to admit evidence outside the scope of the notice, over the objection of a party who did not have actual notice of those issues, that party, upon timely request, will receive a continuance sufficient to prepare for the additional issue and to permit amendment of pleadings.

4. A party seeking admission of an exhibit must provide three copies of each exhibit at the hearing. The presiding officer must provide the opposing parties with an opportunity to examine the exhibit prior to the ruling on its admissibility. All exhibits admitted into evidence must be appropriately marked and be made part of the record.

5. Any party may object to specific evidence or may request limits on the scope of the examination or cross-examination. A brief statement of the grounds upon which it is based shall accompany such an objection. The objection, the ruling on the objection, and the reasons for the ruling will be noted in the record. The presiding officer may rule on the objection at the time it is made or may reserve the ruling until the written decision and recommendation of the Hearing Board.

6. Whenever evidence is ruled inadmissible, the party offering that evidence may submit an offer of proof on the record. The party making the offer of proof for excluded oral testimony will briefly summarize the testimony or, with permission of the presiding officer, present the testimony. If the excluded evidence consists of a document or exhibit, it shall be marked as part of an offer of proof and inserted in the record.

7. Irrelevant, immaterial, and unduly repetitive evidence will be excluded. Any other oral or documentary evidence, not privileged, may be received if it is of a type commonly relied upon by reasonably prudent men and women in the conduct of their affairs.

8. Reasonable inferences. The finder of fact may base its findings of fact upon reasonable inferences derived from other evidence received.

O. DEFAULT

If a party fails to appear or participate in an administrative adjudication after proper service of notice, the agency may proceed with the hearing and the Hearing Board may render a decision in the absence of the party.

P. SUBPOENAS

1. At the request of any party, the agency shall issue subpoenas for the attendance of witnesses at the hearing. The requesting party shall specify whether the witness is also requested to bring documents and reasonably identify said documents.

2. A subpoena may be served by any person specified by law to serve process or by any person who is not a party and who is eighteen (18) years of age or older. Delivering a copy to the person named in the subpoena shall make service. Proof of service may be made by affidavit of the person making service. The party seeking the subpoena shall have the burden of obtaining service of the process and shall be charged with the responsibility of tendering appropriate mileage fees and witness fees pursuant to Rule 45, Arkansas Rules of Civil Procedure. The witness must be served at least two days prior to the hearing. For good cause, the department or the presiding officer of the Hearing Board may authorize the subpoena to be served less than two days before the hearing.

3. Any motion to quash or limit the subpoena shall be filed with the agency and shall state the grounds relied upon.

Q. RECORDING THE PROCEEDINGS

The responsibility to record the testimony heard at a hearing is borne by the agency. Upon the filing of a petition for judicial review, the agency will provide a verbatim transcript of testimony taken at the hearing.

R. FACTORS TO BE CONSIDERED IN IMPOSING SANCTIONS

The Hearing Board, in its decision, may recommend that the action of the ACD be sustained or overruled. The Hearing Board may recommend sanctions in addition to or different from those imposed initially by the ACD. The Director may impose sanctions in addition to or different from those recommended by the Hearing Board. The ACD, the Hearing Board, and the Director may take into consideration all substantial evidence of record, including but not limited to the following:

1. The nature and degree of the errors and omissions and/or misconduct for which the action is being taken against the county, contractor, or professional designee;

2. The seriousness and circumstances surrounding the misconduct.

3. The loss or damage to taxpayers, clients or others;

4. The assurance that taxpayers, clients and others will be protected from the type of errors, omissions, and misconduct found;

5. The profit or benefit to the alleged offender;

6. The avoidance of repetition;

7. Whether the conduct was deliberate, intentional, or negligent;

8. The deterrent effect on others;

9. The conduct of the alleged offender during the course of the Proceeding;

10. The alleged offender's prior record, including warnings;

11. Matters offered by the alleged offender in mitigation or extenuation; except that a claim of disability or impairment resulting from the use of alcohol or drugs may not be considered unless the alleged offender demonstrates that he or she is successfully pursuing in good faith a program of recovery.

S. FINAL ORDER

The Hearing Board will submit its recommendations to the Director in writing along with its proposed findings of fact and conclusions of law. The Director will make the final order or decision in writing and serve a copy on the respondent. The order or decision will include a recitation of facts found based on testimony and other evidence presented and reasonable inferences derived from the evidence pertinent to the issues of the case. It will also state conclusions of law and directives or other disposition entered against or in favor of the respondent.

The order will be served personally or by certified mail on the respondent. If counsel represents respondent, service of the order on respondent's counsel shall be deemed service on the respondent.

Adopted 12/20/06

RULE 2.05
COMPUTER INFORMATION SYSTEM DATA INTEGRITY

Purpose: To provide a common set of reasonable and prudent standards for acquisition and operation of County based computerized information systems; to increase awareness of data security procedures; to support accurate and reliable computerized record keeping; and to insure preservation and effective restoration of computerized records and system operation in the event of a significant disaster.

1. Computer Systems General Policy

   a. County elected officials and all County staff are required to comply with the provisions of these standards to the extent that current staffing and available funds allow.

   b. In order to efficiently and reliably conduct County business and serve the public trust, Computer Information Systems are acquired, deployed, equipped and maintained.

   c. Computer Information Systems are defined as the collection of fileservers, desktop personal computers, printers, routers, hubs, switches and wiring commonly referred to as infrastructure. Systems also include file backup and restore capability, uninterruptible power supplies, interconnection to the Internet, software including network and desktop operating systems, communication and application programs.

   d. The function of the computer information system is to accept, store, preserve, manipulate and present data for the benefit of the County and taxpayers.

   e. A county computer information system may be contained and operated by and for a single statutory office, shared by multiple offices or serve an entire courthouse.

   f. Elected officials may further restrict, control or establish policies for their respective offices, but may not disregard the requirements of this policy.

   g. A designated system administrator shall be responsible for managerial control of the computer information system as described herein. The system administrator need not be fully technically skilled and may delegate technical tasks to county employees or to a vendor under contractor with the County.

2. Copyright Policy

a. Counties shall apply strict adherence to software licensing agreements and copyrights. All elected officials and employees of the County must comply with this policy regardless of being on County time or using County resources.

b. Making copies of software, operator's manuals, training materials or other related property without the express permission of the software author or owner is strictly forbidden.

c. Reproduction, forwarding, or, in any other way, republishing or redistributing words, graphics or other materials must be done only with the permission of the author/owner.

d. Employees should assume that all materials on the Internet are copyrighted unless specific notice states otherwise.

3. Security

Reasonable care must be taken to assure that County records are protected from accidental or mischievous modification or deletion. Security shall be provided in tiered layers to facilitate protection of the data without sacrificing efficiency in the regular operations of the office.

a. Office Environment

i. Public and private areas of the office shall be designated and clearly delineated by use of walls, doors, counters, furniture arrangement and signs as necessary. This should allow the public to easily identify and avoid entering into non-public areas and the staff to easily observe any violations.

ii. Computer equipment shall be arranged to prevent observation of sensitive information by persons in the designated public area(s).

iii. If the public is to directly access the County computer system, separate equipment shall be provided in a designated public area.

iv. In such cases, public users should have a password which limits their access to those applications, resources, functions and information designated for public use.

v. The public should never be allowed to introduce media (floppy disks, USB memory card, portable devices, etc.) to any county computer. Computers provided for public use should have media interfaces removed or disabled to prevent the potential for system damage which could arise from foreign media.

vi. No one shall connect with or otherwise use any County computer, modem, network, or other computing resource without proper authorization; or

assist in, encourage, or conceal any unauthorized use, or attempted unauthorized use, of any County computer, modem, network or computing resource.

b. Desktop

i. Each computer workstation in use by the County for accessing County records shall be secured using password protection as described herein.

ii. Access to each computer should be limited by desktop security to allow only those applications, controls, functions and resources which are applicable to the user and for which the user has permission of the office holder.

iii. After a significant period of user input inactivity, the desktop shall be blanked and locked. Returning the desktop to interactive operation shall require re-entry of the security password.

c. Network

i. Access to the County network shall be limited to authorized users and defined network/Internet connections.

ii. The system administrator shall maintain a list of all approved connections and connection methods.

iii. A password as described herein shall be required in order for any user to gain access to the network.

iv. Network access and other privileges shall be limited by network security to allow only those applications, controls and resources which are applicable to the user and for which the user has permission of the office holder or system administrator.

v. The system administrator shall maintain a list of all approved users and their assigned privileges and access levels.

vi. Network access and privileges shall be assigned in a manner consistent with the designated role of the elected official or employee.

vii. The use of wireless networks is not encouraged. If a wireless network is employed in the County computer system, it must conform to a high standard of security and reliability. Secure wireless networks are typified by customized and suppressed broadcast SSID, 128 bit WEP encryption, and VPN configurations to eliminate rogue access points.

viii. Physical security for the network should include the following for fileservers and workstations where applicable:

1. Lock the case to prevent unauthorized removal of drives.

2. Lock fileserver racks to prevent unauthorized access to the drives for removable media.
3. Maintain servers and network equipment in a locked room to prevent unauthorized access.
4. Disable the removable media drives via the BIOS
5. Password protect the BIOS to prevent unauthorized access.

d. Internet

i. Internet access may be provided by the County to elected officials and staff members, to serve the interests of the County.

ii. Specific Internet privileges shall be governed by user ID and password and may be limited by County policy or the relevant elected official.

iii. The use of e-mail and instant messaging services may be provided by the County for business purposes. These services are not a job “perk” and not for private, personal use.

iv. An elected official may grant limited personal use of e-mails in the interest of reducing the need for staff members to be away from County duties.

v. Users are forbidden from using the County’s computer system for chain letters, charitable endeavors, private business activities, political activities or amusement/entertainment purposes.

vi. E-mail messages generated or received on the County system are considered public property and subject to the Arkansas Freedom of Information Act. They may be viewed by others including the system supervisor and should not be considered private.

vii. Downloading information to a County computer is allowable only for business purposes and may be regulated by the System administrator by policy or electronic control.

viii. Using the County computer system to visit non-business websites is not allowed, except to further the interests of the County. Access to specific websites may be regulated by the System administrator by policy or electronic control.

ix. The system administrator may “block” any website in the interest of preserving the integrity of the County computing system.

e. Application

i. Computer application programs may be acquired by the County from time to time to facilitate operations of the staff in the creation and application of computerized information.

ii. Computer application programs should be evaluated prior to purchase for suitability to the task, compliance with State and County laws and

regulations, compatibility with the County computing system, consistency with County security policies and other office efficiency and effectiveness considerations.

iii. Application programs shall have internally configurable levels of security, allowing designated users to access the features required for their work while preventing access to those not so designated. Program security shall be sufficiently detailed as to accommodate multiple tiers of access ranging from the administrative and supervisory level down to the public user.

iv. Program access levels shall be associated with the user's login ID and protected by a password as described herein.

v. Data managed by an application program shall be configured and secured to prevent access or modification by any means external to the core application.

vi. Application programs shall maintain a "log file" of changes made to the data. This file shall contain sufficient detail to identify the record, date, time, user ID and nature of the change(s) made. The log file shall be readily available to users having administrative privileges.

vii. Application providers should provide notification to the County of any changes being made in the program. For changes which could alter the application data or a critical function of the program, the notice should occur within five (5) working days of the change. For non-critical updates, a thirty (30) day notice is sufficient.

f. Passwords

i. A user ID and password shall be required in order to gain access to any computer, network, application or other resource which is part of the County computer system.

ii. Passwords shall:

1. Be governed in all cases except as noted herein.
2. Be unique to each user and contain no less than five characters.
3. Be changed not less than annually.
4. Not be shared or revealed to anyone except the authorized user.
5. Not be common words, especially those which relate to the user such as spouse/child/pet name, nickname, hobby, etc.
6. Govern the specific rights, privileges and access for each individual user.

iii. Access privileges should be revoked and accounts locked for any employee or elected official within thirty (30) days of terminating employment with the County. If termination is involuntary, accounts should be locked within two working days.

iv. In keeping with separation of powers, the elected official for a given office may institute a different policy for passwords so long as it addresses each of the points listed above, is documented in writing and made available to each staff member and to the auditors.

v. Users shall log out of their computer whenever they expect to be away from their computer or out of the office for any extended period of time. This would include out of the office breaks, lunch, etc. Entry of the password shall be required in order to re-access the system.

vi. An inactivity time-out, no greater than 30 minutes, shall be used and require entry of the password in order to resume system operation.

vii. Failed attempts to access the system with an expired or invalid user ID and password will result in the account being locked by the system. The period of time for the lockout shall be set by office policy and is recommended to be not less than thirty minutes.

viii. A record of failed login attempts should be available to the system administrator on request.

g. Virus / Spam Protection

i. Each workstation or other system connected to the County computer network shall employ and maintain up-to-date antivirus and anti-spam software.

ii. Users are discouraged from downloading files from any Internet web-site or opening attachments to e-mails unless from a known contact. The system administrator may block access or remove privileges from users which violate this policy and endanger the function of the system.

iii. Except as required for County business, users are prohibited from copying materials or information to or from the County system using floppy disc, CD, DVD, tape, USB memory card or any other medium.

4. Access

a. Office Staff

i. It is understood that elected officials and office staff will view, edit, add and delete records from the County computer system in the normal course of their work.

ii. Specific rights and privileges will be granted to do so in accordance with this document and published office policies.

iii. Violation of this and additional policies may result in a user losing access to the computer system.

b. Contractors

i. It is understood that Contractors may from time to time be required to access the County computer system in the performance of their contracted work.

ii. Access to the County computer system by the contractor shall be described in the agreement with respect to connected devices, security level, timing, duties, privileges, access methods and schedules.

iii. Records may be added, edited and deleted by the Contractor in accordance with requirements and restrictions of the governing agreement between the County and the Contractor.

c. Public Users

i. It is understood that pubic users may in the course of reviewing County records, use the County computer system.

ii. Records may NOT be added, edited or deleted by any public user.

iii. The desktop, network and application security collectively, shall prevent any record modification by a public user.

iv. Public users shall not introduce foreign media such as floppy disks, CD's, DVD's USB memory devices or any other media to the County system. This practice shall be prohibited by published policy and system configuration.

v. The County may provide blank media for the purpose of transferring files from the computer system for public consumption. Blank media should be approved in advance by the system administrator.

5. Integrity

a. Desktop

i. Users should be aware that poor PC performance can have a detrimental effect on the integrity of computer data.

ii. Users should report incidents of computer lockups, freezes and other unusual behavior to the elected official or system administrator.

iii. Computers which regularly exhibit these symptoms should be repaired or replaced in order to maintain data integrity.

b. Network

i. Improperly functioning servers, drives, switches, hubs, etc. can corrupt information and destroy County data.

ii. Networks must be regularly observed for proper function and performance.

iii. Networks exhibiting poor performance and or significant downtime should be repaired or replaced in order to maintain data integrity.

c. Internet

i. Many systems make use of the Internet for connectivity between satellite offices and or access by contractors.

ii. Poor Internet performance can adversely affect data entry and jeopardize County records. They also delay customer service operations and diminish taxpayer confidence.

iii. Internet connections which are found to function poorly should be repaired or replaced in order to maintain data integrity and to facilitate efficient customer service.

d. Application

i. Application programs shall provide limits to user input in order to reduce operator entry errors. These should prevent improper data types such as text in numeric fields, incomplete filling of a date field and invalid entries for which a limited set of correct choices is defined.

ii. Due to the requirement for flexibility in data entry, certain fields may not be suitable for validation. The system administrator shall maintain a list of fields and reason for which they are exempt from data input validation.

iii. Except as noted herein, fields which are automatically populated in serial fashion, such as check numbers, receipt numbers, change numbers, etc. shall be validated as to avoid duplication or ambiguity between records. In any case where a unique serialized value is required and has been overridden by the authority of the elected official, a permanent written record must be kept and provided upon request of auditors.

iv. Application providers shall supply instruction manuals containing sufficient information to allow users to effectively operate the program. Manuals should be updated or subsidized by update bulletins to reflect program changes made from time to time.

v. Application providers shall offer training in all aspects of program operation and follow-up training for changes and updates in program function.

vi. Application providers shall supply a user assistance “help line” to answer questions and address concerns which arise in the use of the programs by the County.

6. Data Storage

a. Active data

i. Active data is defined as information which is in current use and subject to review or modification on a regular basis.

ii. Active data must be stored on a reliable fileserver drive whenever possible. Data which is regularly stored on a computer workstation hard drive should be copied to a secure location on the network fileserver on a regular basis.

iii. Active data should be backed up no less than once per week and preferably once per day.

iv. Active data backups should be kept on file for each day, for at least a two week period.

b. Data Archive

i. Archival data is made up of records which are essentially static, maintained for historical reference, but no longer subject to change.

ii. An archival backup should be created each year representing the year-end position of the records. Archival backups should be stored indefinitely.

c. Backup & Restoration

i. Data backups may be made on CD, DVD, high density tape or by remote electronic means.

ii. Backups shall be stored in a secure location, preferably at some distance from the courthouse such as a bank vault, remote data processing center or remote data backup facility.

iii. Data backups should be validated at least once monthly to assure their integrity and completeness.

iv. Backup validation should confirm the quality of the backup dataset. Validation should at minimum confirm file names, sizes and dates for all critical files.

v. All errors observed in the backup procedure or backup validation shall be reported to the elected official and/or system administrator.

7. Disaster Preparedness

a. Preparation

i. The elected official and/or system administrator shall develop a document which shall be used to prepare and if necessary respond to potential disasters which adversely affect the function or integrity of the County computer information system.

ii. The plan shall identify critical elements and resources, provide for securing significant assets and taking steps to restore functional operation of the county computer information system within one week of the disaster.

iii. The County shall maintain sufficient insurance to assure the replacement or restoration of computer equipment, data and service in the event of fire, theft, vandalism, terrorism or act of God.

iv. The plan should outline the steps to restoring system function beginning with analyzing the situation and selecting team members; either employees or contractors to carry out each step.

v. The plan should be flexible in order to accommodate the unknown aspect of the potential disaster and lack of availability of one or more staff members or other critical resources.

vi. The plan should be reviewed and updated periodically, not less than biannually to reflect changes in organization, staffing, methods, technology and priorities.

b. Personnel

i. A list of users shall be maintained including a job description security level and contact information for each.

ii. Personnel should be cross-trained in all routine system functions to allow continued or restored system operation in the absence of one or more users from their regular job functions.

c. Facilities

i. A list of facility requirements for temporary operation of the computer information system shall be developed and kept by the county.

ii. Potential alternate facilities should be identified and listed for possible temporary use in the days following a disaster which renders the regular facility unusable.

d. Equipment

i. A list of equipment, critical for operation of the computerized information system, shall be kept by the county along with detailed specifications.

ii. An inventory of all information system equipment shall be kept on an office by office or county wide basis.

iii. Contact information for critical equipment suppliers shall be kept and updated not less than annually.

e. Data

i. A list of datasets which are critical to regular county operations shall be kept by the county. These shall include both current and archived records of all data types.

ii. Contact information for critical information system suppliers shall be kept and updated not less than annually.

f. Applications

i. A list of operating system and application software which are critical to regular county operations shall be kept by the county.

ii. Contact information for critical application program suppliers shall be kept and updated not less than annually.

8. System Maintenance

a. Definition

i. System maintenance consists of regular or special actions take to assure the proper operation of the computerized information system.

ii. Typical system maintenance tasks include administering user access accounts for passwords, privileges, data access and Internet access.

iii. System maintenance includes observation and application of system performance including but not limited to speed, memory and file storage capacity, protection from virus, spam, and other electronic threats and managing the backup system.

iv. System maintenance may also include communication with hardware, software and operating system vendors and application of new or replacement equipment, programs, updates and patches which are necessary to maintain proper system performance.

b. Methods

i. System maintenance may be performed by the system administrator, delegated to County staff or contracted to a qualified computer systems vendor.

c. Contracts

i. Obtaining computer system support from an outside vendor requires evaluation of the vendor as described herein and a written contract.

ii. Contracts should identify the scope and any limitations of the service provided as well as hours of operation, methods of contact and making requests for service and predicted response times.

iii. Contracts should define the methods and means by which the Contractor shall access the county computer information system and any restrictions imposed by the County.

iv. The County may require the Contractor to provide proof of E&O insurance or other proof of financial stability to prevent significant loss to the County in the event of employee error or misdeed arising from computer system access.

d. Vendor requirements

i. The County should have a policy setting forth minimum qualifications for prospective computer system vendors including:

1. Product applicability to task
2. Professional experience and certifications
3. Arkansas based experience in the area for which a contract is sought.
4. Age and financial stability.
5. Staff size and capacity.
6. Professional references of County offices of similar needs.
7. Vendor policies with respect to support.

ii. In cases where a vendor is expected to play a large part in disaster recovery, an agreement between the County and the Contractor is suggested. This agreement should be renewed annually and include the role of the Contractor, the chain of command and line of authority to initiate a recovery effort.

Adopted 12/20/06

CHAPTER 3

IMPLEMENTATION OF ACT 1185 OF 1999

RULE 3.01
APPRAISAL MANAGER EXAMINATION

STATUTORY AUTHORITY: Act 1185 of 1999.

The ACD shall contract with a qualified individual with adequate training and experience necessary to formulate an appropriate examination designed to test one's ability to perform as an appraisal manager.

The examination shall emphasize theory and practice of mass appraisal as opposed to conventional single property appraisal, be designed in two sections and shall include, but not be limited to: the first section of the appraisal manager exam shall be a multiple choice exam designed to test the individual's knowledge of mass appraisal terminology and theory.

The second section of the exam shall be a case study or studies. The case study portion of the exam will provide the student with a sample county, and require the student to work out the appropriate number of personnel, and budgets necessary to perform a countywide reappraisal. The proficiency exam will contain subject matter of the IAAO Administration Course, and will cover the Arkansas property valuation system, sales editing, neighborhood delineation, use of location factors, and effective ages.

Adopted 10/01/99

RULE 3.02
PREREQUISITES FOR APPRAISAL MANAGER EXAM

Prerequisites for eligibility to take the exam shall include; Level 4 Appraiser as designated by the State of Arkansas Training and Designation Program, or IAAO educational equivalent, and a minimum of four years experience in the mass appraisal field.

Adopted 10/01/99

RULE 3.03
DATE OF REAPPRAISAL MANAGER EXAM

Adopted 10/01/99
Repealed 12/01/00

RULE 3.04
ADMINISTRATION OF APPRAISAL MANAGER EXAM

The author of the appraisal manager exam will be responsible for administering the first examination, and the ACD shall be responsible for administering later editions. No fee shall be charged for the first taking of the examination. A fee of $100 will be charged for each subsequent taking of the examination.

Adopted 10/01/99

RULE 3.05
SUBMISSION OF REAPPRAISAL PLANS

Each county shall be required to submit a plan to the ACD detailing how a reappraisal, whether performed in-house or contracted, will be accomplished over a prescribed time period.

The purpose of the plan will be twofold - First, to be certain that all the needed tasks of a reappraisal are completed, and second, to insure that all reappraisal projects meet a statewide standard of quality and uniformity.

The plan will include the county or contractor's calendar of scheduled events in order for the appraiser to locate, identify, and appraise all taxable property in accordance with state laws and administrative procedures.

The plan will specify that the first phase of the plan will be to canvass all parcels, will include site inspection with improvements reviewed, and all pertinent quantitative and qualitative data gathered, and improvements will be measured when necessary.

Provision will be made in each year of the reappraisal plan for the discovery, listing, and valuation of newly discovered and newly constructed property. Additionally, the reappraisal plan will detail plans for revaluation notices and the appeals process for these types of properties.

The required reappraisal plan must include detailed information including parcel counts, existing resources, expected production levels, personnel needs, and budgets. The appraisal plan must also acknowledge pre-established requirements relating to minimum qualifications of various employees, minimum progress at various points in time, and minimum levels of quality in regard to property valuations before notices of revaluation are mailed.

Adopted 10/01/99

RULE 3.06
DUE DATE FOR REAPPRAISAL PLANS

On or before August 10, 1999, the ACD will mail a certified letter to each county assessor stating the year the county will be required to reappraise under Act 1185, and a due date for the first required reappraisal plan.

Adopted 10/01/99

RULE 3.07
REAPPRAISAL PLANS FOR 2, 3, 4, OR 5 YEARS

In the case of counties that fail an assessment ratio in 1999, the required reappraisal plan will describe a reappraisal that will be completed in 2001. For those plans, phase one (data collection) will cover the year 2000, and phase two (valuation) will cover the year 2001.

In the case of the first group of counties selected by the ACD to reappraise in 2002, the required reappraisal plan will describe a reappraisal which will be completed in 2002. For those plans, phase one (data collection) will cover the years 2000 and 2001, and phase two (valuation) will cover 2002.

In the case of the group of counties selected by the ACD to reappraise in 2003, the required reappraisal plan will describe a reappraisal which will be completed in 2003. For those plans, the first year, (2000) will cover the appraisal of new construction only, phase one (data collection) will cover the years 2001 and 2002, and phase two (valuation) will cover the year 2003.

In the case of the group of counties selected by the ACD to reappraise in 2004, the required reappraisal plan will describe a reappraisal which will be completed in 2004. For those plans, the first two years (2000 and 2001) will cover the appraisal of new construction only. Phase one (data collection) will cover the years 2002 and 2003, and phase two (valuation) will cover the year 2004.

Adopted 10/01/99

RULE 3.08
EXCEPTIONS TO RULE 3.07

Exceptions to the requirements listed above would include those counties that have a reappraisal underway in 1999, whether a contracted reappraisal, or an In-house reappraisal, with an anticipated completion date of 2000 or 2001. Those reappraisals will be allowed to continue, and will be eligible for funding beginning in January, 2000. When those reappraisals are completed in 2000 or 2001, the county will be required to submit a new, 3 year reappraisal plan, with an appropriate completion date of 2003, or 2004.

A further exception to RULE 3.07 would be that if a county is selected by the ACD to reappraise in 2004, but already has a reappraisal underway that is due to complete in 2000 or 2001, the reappraisal plan will not be limited to appraising new construction only in the first two years.

Adopted 10/01/99

RULE 3.09
FORMAT FOR REAPPRAISAL PLANS

The ACD will provide a complete format for the reappraisal plan, and the plan will be required to be completed on this specific form. Any variation from these standardized plans must be pre-approved by the ACD.

Adopted 10/01/99

RULE 3.10
PARCEL COUNT INFORMATION

Reappraisal plans shall contain detailed parcel count information in two formats, using the forms described in the Appendix as A-13 “Parcel Count Form A” and A-14 “Parcel Count Form B”.

Adopted 10/01/99
Amended 12/20/00

RULE 3.11
ORDER OF REAPPRAISAL PROGRESS

Reappraisal plans will specify exact order in which townships will be reviewed during phase one of the reappraisal. An alternative will allow the reappraisal plan to appraise all cities in a county first, and then appraise all non-city properties in township order. Regardless of which plan is utilized, appraisers will be required to meet or exceed the monthly production tables established in the reappraisal plan.

Reappraisal plans will specify expected progress by township or city, and number of parcels planned for each month during phase one of the reappraisal. A breakdown by city or township-range is not required for phase two of the planned progress report. However, a projected total per month is required. For these purposes, “month” is defined as the 20th of the preceding month through the 19th of the current month.

An approved planned progress report may require revision if it is discovered at any time before or during the reappraisal that the plan does not conform to requirements of the Assessment Coordination Department’s Rules and Regulations.

Adopted 10/1/99
Amended 03/03/02
Amended 04/26/10

RULE 3.12
APPRAISAL MANAGER TO BE NAMED IN REAPPRAISAL PLAN

Each reappraisal plan will name a specific person as the Appraisal Manager, hereafter referred to as Manager. No reappraisal plan will be approved that designates the county assessor as the Manager. The Manager has overall responsibility for the reappraisal. He or she shall be knowledgeable of and responsible for all aspects of the Reappraisal Plan (Plan). He or she shall assure that all applicable state laws, rules and regulations concerning reappraisals are followed.

A Manager may not delegate his or her responsibilities as a Manager in a county. To this end, in instances where a Manager is responsible for more than one county, he or she shall be present in each county as needed. When ACD auditors are working in a county the Manager should be physically present or available to be called when auditors wish to make an inquiry about the reappraisal.

A Manager is responsible: for seeing that personnel working under his or her supervision have the training and experience necessary to properly do the work assigned; for supervising the work of personnel working under him or her; for reviewing the work product of personnel working under his or her supervision.

Any violation of law or ACD rules, as well as deviation from sound assessment practices by an employee, as specified in ACD Rule 3.30, shall be reported by the Manager to the county assessor and ACD Field Operations Manager within (60) days from the occurrence.

Violation of any provision of this rule shall cause the Manager to be subject to disciplinary actions, which may include revocation of the Managers designation by the Department.

Adopted 10/01/99
Amended 12/20/06
Amended 12/07/12

RULE 3.13
EXISTING RESOURCES

Reappraisal plans will list in reasonable detail the reappraisal resources already existing within a county. Those resources shall include but not be limited to: Computer hardware, mapping records, available office space, vehicles, existing personnel (listed by certification levels and current job duties).

In particular, the reappraisal plan will describe computer hardware and mapping records currently available, and will describe office space available for the purpose of real estate appraisal. The reappraisal plan will list in detail how much physical data has already been gathered by field appraisers and entered into the county's CAMA system. The reappraisal plan will also describe the level of data entry regarding real estate sales information.

Adopted 10/01/99

RULE 3.14
REAPPRAISAL BUDGETS

Each county that undertakes an in-house reappraisal must provide and attach a copy of a reappraisal budget to the reappraisal plan. The reappraisal budget will be on a prescribed form furnished by the ACD and will cover all costs associated with the reappraisal of real estate.

Adopted 10/1/99

RULE 3.15
MINIMUM EXPECTED PRODUCTION LEVELS FOR IN-HOUSE REAPPRAISALS

Manpower needs necessary for any reappraisal are calculated based on known parcel numbers, working days available, and anticipated production levels per worker. Production levels shown in rules 3.15.1 through 3.15.4 are minimum production levels, per worker, per day, to be used for the preparation of appraisal budgets for those counties which choose to perform in-house reappraisals.

Adopted 10/01/99

RULE 3.15.1
FULL REAPPRAISAL PROGRAM USING SINGLE APPRAISERS

Entry of sales data	100		
Residential		Commercial	
Physical data collection	25	Physical data collection	10
Physical data entry	40	Physical data entry	20
Data entry review	250	Data entry review	30
Valuation	150	Valuation	20

Adopted 10/01/99

RULE 3.15.2
FULL REAPPRAISAL PROGRAM USING DATA GATHERERS AND REVIEW APPRAISERS

Entry of sales data	100		
Residential		Commercial	
Quantitative data collection	25	Physical 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		

Adopted 10/01/99

RULE 3.15.3
REVIEW REAPPRAISAL PROGRAM USING SINGLE APPRAISERS

Entry of sales data	100

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

Adopted 10/01/99
Amended 12/07/12

RULE 3.15.4
REVIEW REAPPRAISAL PROGRAM USING DATA GATHERERS AND REVIEW APPRAISERS

Entry of sales data	100

Residential		Commercial	
Quantitative data collection	50	Physical data collection	10
Qualitative data collection	50	Physical data entry	20
Physical data entry	100	Data entry review	30
Data entry review	250	Valuation	20
Valuation	200		

Adopted 10/01/99
Amended 12/07/12

RULE 3.16
ALLOWABLE EXPENSES

All expenses associated with the cost of maintaining current real estate appraisals on county assessment records deemed appropriate, necessary, and reasonable by the ACD, shall be reimbursed to the county. Those expenses, in general, may be considered to include salaries, office expenses, computer purchase and support, vehicle mileage expenses, and public relations. No expense that is not shown in the original budget or original request for special needs funding will be considered for reimbursement.

Adopted 10/01/99

RULE 3.17
FUNDING

Funding for all reappraisals required under Act 1185 of 1999 will be in the form of a reimbursement for expenses first paid by counties, either to county assessor's budgets, or to reappraisal firms. Appraisal plan and/or appraisal contracts must be approved before reimbursement begins. The state may withhold the last four reimbursement payments until

the reappraisal has been completed in accordance with the rules and regulations of the ACD, whereupon payments will be released less any costs or expenses for corrective action. Withholding will commence with the plans starting in 2003.

Adopted 10/1/99
Amended 3/03/02

RULE 3.18
IN-HOUSE REAPPRAISAL PLANS - SIGNATURE REQUIREMENTS

In-house reappraisal plans must bear the notarized signatures of the county assessor, county judge, and the appraisal manager. The signature of the Appraisal Manager signifies only that he or she is familiar with the terms of the contract and intends to undertake, on this job, the responsibilities of an Appraisal Manager as elsewhere outlined in these rules.

The plan must be approved by a quorum court appropriation ordinance.

Adopted 10/01/99
Amended 12/20/00
Amended 12/20/06

RULE 3.19
CONTRACTED REAPPRAISAL PLANS - SIGNATURE REQUIREMENTS

Contracted reappraisal plans must bear the notarized signatures of the county assessor, county judge, and a principal of the reappraisal company performing the reappraisal, and the appraisal manager. The signature of the Appraisal Manager signifies only that he or she is familiar with the terms of the contract and intends to undertake, on this job, the responsibilities of an Appraisal Manager as elsewhere outlined in these rules.

The plan must be approved by a quorum court appropriation ordinance.

Adopted 10/01/99
Amended 12/20/00
Amended 12/20/06

RULE 3.20
PROGRESS REPORTS FROM APPRAISAL MANAGER TO ACD

The appraisal manager will send by electronic transmission to the ACD, by the twentieth (20th) day of each month, a progress report detailing reappraisal progress made from the twentieth ($20^{th)}$ of the preceding month through the nineteenth ($19^{th)}$ of the current month. The progress report will be on a specific form prescribed by the ACD. The reappraisal manager will provide a copy of the progress report to the county assessor and the county judge, and upon request to the board of equalization and quorum court each month.

Adopted 10/01/99
Amended 12/20/00
Amended 12/07/12

RULE 3.21
REIMBURSEMENT TO COUNTIES IN EQUAL PAYMENTS

Reimbursement for reappraisal costs from the state to the county will be made in even payments, once each month, at a level to be determined by dividing the approved total cost of reappraisal (as indicated by the original appraisal plan) by the total number of months indicated in the reappraisal plan, unless a revenue shortfall should occur. In that instance, at least one payment will be less than normal.

Adopted 10/01/99

RULE 3.22
DIRECT DEPOSITS

Reimbursements will be done in the form of a direct deposit. Each county/company must have an established account and submit necessary paperwork (voided check, signed permission form, etc.) before the reimbursement process begins.

Adopted 10/01/99
Amended 12/20/00

RULE 3.23
REVENUE SHORTFALLS

In the event the total monies budgeted for reappraisals statewide runs higher than the fiscal year appropriation to the ACD, the June payment for each county or contractor will be reduced on a pro-rata per parcel basis to prevent deficit spending.

Adopted 10/01/99

RULE 3.24
ACD TO CONDUCT PERFORMANCE AUDITS

The ACD will periodically enter each county during both phase one and phase two of the county's reappraisal to conduct a performance audit (hereinafter designated as a PA). The purpose of these audits will be to ensure the reappraisal progresses as planned in a systematic and accurate fashion, and to determine if generally accepted methods and techniques are being uniformly employed.

The ACD will conduct Appraisal Manager Seminars. Appraisal managers must attend at least one such seminar a year to maintain Appraisal Manager Status.

Adopted 10/01/99
Amended 03/03/02

RULE 3.25
SCOPE OF PHASE ONE PERFORMANCE AUDITS

The PA will measure both the quantity and quality of the following: entry of general appraisal information, collection and entry of field data, and entry of sales information.

The PA will compare gross progress of physical data collection and CAMA entry to the required progress established by the county's reappraisal plan. Additionally, the PA will review quantitative and qualitative data from the property record cards of a random sample of improved properties.

All warranty deeds which contain sales information helpful in the appraisal process must be entered into the county's CAMA system. Deed entries must include sale date, book and page, revenue stamps or sale amount (if any), and grantor/grantee information.

The appraisal manager will assure that a reasonable attempt is made to obtain sales price and confirm validity of all warranty deeds.

Interior inspections of residences are not required and inaccuracies involving those items will not be regarded as errors for the purposes of the audit.

Adopted 10/01/99
Amended 12/20/00

RULE 3.26
DESIGN OF PROPERTY RECORD CARDS

The basic design of property record cards by each class must be approved by ACD. The following entries are required (where applicable):

City and Rurban Cards:

Type of Card
Parcel Number
Ownership Record and Description
(Include property address when available)
Sales History
Appraisal Summary
Assessment Summary
Land Record and Computation of Land Value
(Lot size is recommended but not required. However, a breakdown of value per lot should be included)
Review Record
Number of Cards and Card Number
Sketch
All Applicable Data Collection and Valuation Fields
Inspected Date, Inspected By
Entered Date, Entered By
Revisited Date, Revisited By

Rural Cards:

Type of Card
Parcel Number
Ownership Record and Description
(Include property address when available)
Sales History
Appraisal Summary
Assessment Summary
Review Record
Land Record and Computation of Land Value
(Lot size and production capability pricing is required)
Review Record
Number of Cards and Card Number
Sketch
All Applicable Data Collection and Valuation Fields
Inspected Date, Inspected By
Entered Date, Entered By
Revisited Date, Revisited By

Commercial/Industrial Cards:

Parcel Number
Ownership Record and Description
(Include property address when available)
Sales History
Appraisal Summary
Assessment Summary
Land Record and Computation of Land Value
(Lot size and value per lot is required.)
Review Record
Number of Cards and Card Number
Sketch
Property Description
Structural Elements
All Applicable Data Collection and Valuation Fields
Inspected Date, Inspected By
Entered Date, Entered By
Revisited Date, Revisited By

Inspected Date refers to the date of initial on-site verification of property characteristics as a part of reappraisal progress, except when a method of technology is allowed by the ACD Rules and Regulations and approved by the county and ACD as a substitute for any on-site inspection tasks. In those cases, procedures and inspection/revisited fields must be clearly defined in the original plan or contract or in an addendum to the original plan or contract. If the date of office analysis is allowed as the inspection date in conjunction with digital imagery, the imagery date must also be available. Inspection dates should not change as a result of revisits during the same reappraisal cycle, including return trips for further review or maintenance work. Those dates should be recorded as revisited dates.
Inspected By refers to the appraiser who did the initial on-site verification of property characteristics as a part of reappraisal progress, or the appraiser who did the inspection

tasks using approved technology, and it is usually represented by initials or a code. When an appraiser in training or otherwise unqualified in some aspect of data collection is accompanied or followed-up by the qualified appraiser, the less qualified appraiser's initials will appear in the Inspected By field and the qualified appraiser's initials will appear in the Revisited By field.

Entered Date refers to the date of data entry resulting from data collection on the reappraisal inspection date.

Entered By refers to the initials or code of the person who did the data entry needed as a result of data collection on the reappraisal inspection date.

Entered Date/Entered By shall not change with subsequent data entry during the reappraisal.

Revisited Date refers to the date physical characteristics of a property were revisited on-site or by using approved technology.

Revisited By refers to the initials or code of an appraiser who revisited the physical characteristics of a property on-site or by using approved technology.

Additional fields may be used to suit the particular needs of a county, but they must not be used as substitutes for the above required fields.

In addition to the above entry requirements on the property record card, the changed date and changed by code or initials must be available on the computer for all changes made to existing property information.

The deadline for implementation of the above terms and definitions in each county is at the start of the first new reappraisal in that county beginning on January 1, 2009 or thereafter.

Adopted 10/01/99
Amended 12/20/00
Amended 03/03/02
Amended 09/25/08
Amended 07/23/14

RULE 3.27
SCOPE OF PHASE TWO PERFORMANCE AUDITS

ACD auditors will review sales analysis and other procedures used in the development of overall values. This includes, but is not limited to, audits of neighborhood delineation, lot values, and location factors.

Valuation entry fields on parcel cards will be checked for accuracy.

Sales ratio studies will be utilized to audit final values.

Entries of sales information will be audited during both phase one and phase two.

Adopted 10/01/99
Amended 12/20/00

RULE 3.28.1
NEIGHBORHOOD DELINEATION FOR RESIDENTIAL NEIGHBORHOODS

Residential neighborhood boundaries shall be displayed on city or county maps as appropriate.

A narrative description of each boundary line for each neighborhood shall be on file at the appraisal manager's office. In addition, a printout of the sales database used in determining the boundaries shall be kept in the same file.

Residential neighborhoods that may be defined due to physical, economic, governmental, or social factors without the benefit of property sales are allowed. However, the narrative description of each boundary line shall include a statement outlining the physical, economic, governmental or social factors that lead the appraiser to conclude boundary location.

Adopted 10/01/99

RULE 3.28.2
NEIGHBORHOOD DELINEATION FOR COMMERCIAL NEIGHBORHOODS

Commercial neighborhood boundaries shall be displayed on city or county maps as appropriate.

A narrative description of each boundary line for each neighborhood shall be on file at the appraisal manager's office. In addition, a printout of the sales database and rental database used in determining the boundaries shall be kept in the same file.

Commercial neighborhoods that may be defined due to physical, economic, governmental, or social factors without the benefit of property sales are allowed. Rental data should be collected unless all commercial properties in the neighborhood are owner occupied. If neither sales nor rental data are available the narrative description of each boundary line shall include a statement outlining the physical, economic, governmental or social factors that lead the appraiser to conclude the boundary location.

Adopted 10/01/99

RULE 3.28.3
NEIGHBORHOOD DELINEATION FOR RURAL AREAS

Rural region boundaries shall be displayed on county maps.

A narrative description of each boundary line for each rural region shall be on file at the

appraisal manager's office. In addition, a printout of the sales database used in determining the boundaries shall be kept in the same file.

Rural regions that may be defined due to physical, economic, governmental, or social factors without the benefit of property sales are allowed. Whether sales data are available or not the narrative description of each boundary line shall include a statement outlining the physical, economic, governmental or social factors that lead the appraiser to conclude the boundary location. In addition, the appraiser shall list the property specific characteristics, i.e. paved road, municipal water, school district boundaries, etc., that are used to adjust from the general value trends and dollar influences each of these characteristics has on the property.

Adopted 10/01/99

RULE 3.29
LOCATION FACTORS

When using the cost manual, location factors shall be used to adjust costs to the proper level in each neighborhood. The overall location factor for a neighborhood shall be determined from analysis of individual sales using the basic formula: Location Factor = Improvement Value (Sale Price Less Lot Value)/RCNLD (Replacement Cost New Less Depreciation). Valid sales of properties from new to three years old should be used for the most accurate work. Sales should not have substantial improvements other than the house. Any item not being valued from the manual should be subtracted from the selling price. Accurate lot values are necessary. Statistical software can be utilized to provide additional analysis and accuracy. Comparative analysis can be used for neighborhoods where appropriate sales are insufficient.

Adopted 7/10/01

RULE 3.30
MINIMUM ACCEPTABLE STANDARDS FOR PERFORMANCE AUDITS

Reappraisal performance must conform to these Rules and Regulations, and the appraisal process must uniformly employ logical and generally accepted methods and techniques that are necessary to produce credible appraisals.

Phase 1 completed parcels are those which have had data collection/review and data entry. Phase 2 completed parcels are those for which valuation and corresponding entry into the CAMA system is complete. The cumulative number of parcels which are Phase 1 complete must be at least 90% of planned progress unless sufficient reason is provided on the monthly progress report and approved by ACD. For each property type, valuation must be complete for at least 50% of the parcels, subject to minor revisions, by April 19th of the valuation year.

For each performance audit, total errors and/or omissions must not exceed 5% for any general or specific element of the appraisal process.

Failure to list a dwelling or other major improvement or placement of that improvement on the wrong parcel may not occur on more than 2% of the parcels.

Individual perimeter measurements of one-story dwellings must be accurate within one foot. Estimated measurements will be allowed for additional levels and for items such as driveways or fences, but these estimates should be based on techniques resulting in reasonable accuracy. Property characteristics for which measurement is not a cost component in the applicable manual do not require dimensions (fireplace, for example).

All real estate improvements must be listed on each property record card. Those improvements that are deemed to have no contributory value by the appraiser must be listed with minimal description and coded uniformly by CAMA providers. Dimensional elements of NCV improvements are optional. Failure to list all such improvements will be counted on the PA as an error.

The ACD will periodically audit entry of sales information during both Phase 1 and Phase 2 of the reappraisal. All deeds which necessitate a change of name or legal description that are more than 30 days past their filing date must have been entered into the county's CAMA system. Errors and/or omissions shall not exceed 5% of the total entries.

Adopted 10/01/99
Amended 12/20/00
Amended 3/03/02
Amended 07/05/04
Corrected 9/25/08
Amended 12/07/12

RULE 3.31
FAILURE TO COMPLY WITH STANDARDS OF PERFORMANCE AUDIT

The Director of the Department may, for cause, and after opportunity for a hearing, suspend or terminate the contract of any appraisal firm or county, suspend or terminate the appraisal manager status of an appraisal manager, or remove an appraisal firm from the list of eligible contractors.

Whenever an audit indicates standards established elsewhere in these rules have not been met, the responsible party will be given the opportunity to dispute the audit results. Upon a final determination that standards have not been met, the Director of the Department MAY declare the reappraisal to be out of compliance and/or require corrective action. Factors that can influence the Director's decision include, but are not limited to (1) the significance of the problem, (2) the cause of the problem, and (3) previous violations.

Value-related elements are considered significant for these purposes when they are estimated to affect market value by $2,000 or more. An insignificant problem can become significant when the county or appraisal firm fails to correct the problem.

When the reappraisal is determined to be out of compliance, that finding will be reported by certified mail to the county assessor and appraisal manager and reappraisal funding will be withheld or terminated. The aforementioned letter will be copied to the board of equalization, county judge, quorum court, and the contractor when applicable.

The aggrieved party shall have 30 days from the date of the certified letter to request a hearing. If a hearing is requested, funds will continue to be withheld pending results of the hearing.

Failure to pass the ratio study causes a county to be out of compliance and reappraisal funding will be withheld immediately when a county fails the study.

If funding has not been terminated and out of compliance is due to causes other than a failed ratio study, the responsible party may sign, date, and return the enclosed Compliance Verification Form (Form A-17) within 30 calendar days of the date of the certified letter and agree to complete corrective action as required in order to return to compliance without a hearing. Withheld funds will be released and payments will be resumed in accordance with the specifications of the Compliance Verification Form. Termination of funding may occur if the aggrieved party does not either request a hearing or return the signed and dated Compliance Verification Form within 30 days.

If funding has not been terminated and out of compliance is due to a failure to meet the level or uniformity standards for ratio studies, procedures shall apply as outlined in A.C.A. 26-26-304 (f) and (g). The reappraisal shall remain out of compliance and reappraisal funding shall continue to be withheld until completion of proper corrective action as required by a Compliance Verification Form.

For any out of compliance situation, termination of funding may result if the responsible party fails to complete required corrective action.

Adopted 10/01/99
Amended 4/2/01
Amended 3/3/02
Amended and implemented 4/9/04 by emergency procedure
Amended 07/05/04
Amended 12/20/06
Corrected 09/25/08

RULE 3.32
MISREPRESENTATION

Funding already disbursed to the county as a result of misrepresentation will be required to be reimbursed to the state, unless the action is determined, by the ACD Director, to be unintentional.

Adopted 10/01/99
Amended 07/05/04

RULE 3.33
FORCE MAJEURE

The foregoing provisions notwithstanding, the ACD may grant additional time in the event of delay caused by an act of God or force majeure.

Adopted 10/01/99

RULE 3.34
CAMA SYSTEMS REQUIRED

Each county must have a CAMA system before being eligible for funding.

Adopted 10/01/99

RULE 3.35
COMPUTER DATA PROPERTY OF COUNTY

All data entered into a county's CAMA system immediately becomes the property of that county.

Adopted 10/01/99

RULE 3.36
REQUIRED REPORTS

All CAMA systems, whether located in the courthouse or a remote site (example: appraisal contractor's office) will be able to provide the following reports to the ACD by electronic transmission: (1) parcel counts, (2) production reports, (3) sales reports, and (4) additional reports developed for audit-related purposes. These reports must be provided to ACD auditors within a reasonable time upon request.

CAMA systems utilized by the county or appraisal contractor to perform a reappraisal must be able to tabulate a parcel count by the categories requested elsewhere in these rules.

Physical data must be entered in such a way that parcel counts required in these rules may be run in a single report.

If the contractor chooses to utilize GIS for performance of any portion of the reappraisal, the data and the layers must be deliverable to the county assessor and the ACD for audit purposes.

Adopted 10/01/99
Amended 3/03/02
Amended 12/07/12

RULE 3.37
DOWNLOADING CAMA DATA

If necessary, the CAMA system vendors will cooperate fully to convert data from their CAMA system to that of another vendor. This will occur when a county has acquired a different CAMA system due to its own actions or has allowed an appraisal contractor to do so. A contract will be negotiated between the county and the vendor of the CAMA system. The data to be converted will be defined in the contract, but will include at a minimum the property record card data. If a fee is charged for this service it shall be limited to a reasonable amount.

Adopted 10/01/99

RULE 3.38
BID SPECS FOR CONTRACTED REAPPRAISALS

All contracted reappraisals will utilize standardized bid specifications developed by the ACD. Any variations from these standardized bid specifications must be in the form of an addendum and must be approved by the ACD. All bid specifications must be submitted to the ACD in accordance with Arkansas Code Annotated 26-26-1905. Limiting conditions that unfairly restrict competition will not be allowed.

Adopted 10/01/99
Amended 12/20/00
Amended 3/03/02
Amended 12/07/12

RULE 3.39
BIDS REQUIRED FOR CONTRACTED REAPPRAISALS

Each county that contracts reappraisal services shall advertise for bids for the planned reappraisal by posting a notice of such reappraisal and invitation to bid in a conspicuous place in the county courthouse and by one insertion in a newspaper with a general circulation in the county. The county shall also mail, fax, or send by electronic transmission a copy of the notice/bid invitation to all companies listed on the ACD Annual Register of Appraisal Companies at the time of advertising. The notice/invitations to bid shall include the number of parcels, the time and date deadline for submitting bids - not less than ten (10) nor more than thirty (30) working days from the date of advertisement in the newspaper and the date the notice/invitations to bid are mailed out - and a statement that any bids submitted by a contractor that do not meet the ACD approved specifications shall be rejected by the county. The notice/invitation to bid shall also include a statement that the contractor may obtain a copy of the bid specifications by contacting the county assessor and requesting that the specifications be mailed, emailed, or faxed to him. Along with the notice/invitation the county shall include a contractor response form. The response form shall contain at least the following options for the contractor to check: 1. This contractor wishes to bid on this reappraisal and a bid is enclosed. 2. This contractor does not wish to bid on this reappraisal but wishes to receive all bid notices/invitations in the future. Space should be provided for any comments the contractor wishes to make. The response form must be signed by an authorized representative of the contractor.

All contractors receiving the notice/invitation must complete and return the response form to the county. All bid documents, even if they are only the completed response form, must be mailed or hand delivered to the county in a sealed envelope or container clearly labeled “Bid Documents.” This requirement shall be a prerequisite for a contractor to remain on the ACD list of registered contractors.

The deadline for submitting bids and forms shall be at least thirty (30) minutes before the scheduled time for opening. All such bids shall remain unopened and under lock, in a safe location, until the date and time for the bids be opened.

The county shall submit to the ACD a copy of all bids received. In the event the county chooses to employ an appraisal firm other than the firm that submits a low bid, the county assessor must submit a written narrative explaining the county's choice of firms. The narrative must be attached to the proposed appraisal contract, and explain in detail what criteria were utilized to make the decision to hire a firm other than the low bidder. Failure to comply with this rule will result in rejection of the proposed appraisal contract.

To assist counties in making judgments as to contractor's qualifications and past performance, the ACD shall provide the following information about each contractor to the assessor, county judge, equalization board, and school superintendents in each county requesting bid for reappraisal contracts:

1. Contractor Register information provided to ACD in compliance with ACD Rule 4.05, upon request.

2. The total cost of each contract that each contractor currently has in force.

3. Ratio study results in the counties where each contractor has completed reappraisal in the preceding two years.

4. The number of findings by the ACD that each contractor was out of compliance during ACD procedural audits in the preceding twenty-four months.

5. The number of instances during the preceding twenty-four months that each contractor has had a contract terminated or funding for the county terminated by the ACD.

Adopted 10/01/99
Amended 12/20/00
Amended 3/03/02
Amended 07/05/04
Amended 09/25/08
Amended 12/07/12

RULE 3.40
PAYMENT IN KIND SERVICES

Repealed 09/25/08

RULE 3.41
REAPPRAISAL PLANS REQUIRED

Every county assessor must submit a reappraisal plan by a date specified by the ACD. The ACD will review the plan and approve the plan as written or require an amended plan. The ACD may require a letter of understanding in order to clarify areas of responsibility or other elements of the plan.

Adopted 10/01/99
Amended 3/03/02

RULE 3.42
REAPPRAISAL BUDGETS REQUIRED

Each county that undertakes an in-house reappraisal must submit a reappraisal budget attached to the reappraisal plan. The reappraisal budget shall be on a form designated by the ACD. The reappraisal budget shall include detailed projected expenses for personnel, office expenses and all other expenses associated with the reappraisal of real estate.

Adopted 10/01/99
Amended 12/07/12

RULE 3.43
REAPPRAISAL CONTRACTS REQUIRED

Any county that is performing a contracted reappraisal must submit a signed reappraisal contract, detailing total expense for the reappraisal, with the required reappraisal plan.

Adopted 10/01/99

RULE 3.44
REJECTION OF REAPPRAISAL PLANS

Should any part of a reappraisal plan fail to meet generally accepted standards, the ACD shall reject the plan.

Adopted 10/01/99

RULE 3.45
CONFLICTS WITH ACTS 440 AND 836 OF 1997

Those counties that are compelled to reappraise due to low assessment ratios are not relieved by Act 1185 of 1999 from the legal obligations previously established by Acts 440 and 836 of 1997. A county that fails an assessment ratio must complete a countywide reappraisal in compliance with Act 440 and/or 836 of 1997. Funding will be available for those counties, but may not exceed the cost to reappraise, or a maximum of seven dollars per taxable parcel, per year.

Adopted 10/01/99
Amended 12/20/00
Amended 3/03/02

RULE 3.46
SPECIAL NEEDS

Each county will be allowed to submit a request for “special needs” funding to pay for extraordinary mapping needs, computer updates, etc., along with the county’s reappraisal

plan. After funding for reappraisals has been allocated, these special needs requests will be considered by the ACD.

Adopted 10/01/99

RULE 3.47
MINIMUM QUALIFICATIONS FOR APPRAISAL TASKS

For the tasks listed in this section, certain minimum qualifications are hereby established, which must be met in order for the work performed to be considered valid. Before an employee, either county employee or appraisal contractor employee, may perform the following tasks, they must first have completed the ACD classes listed, or have attained the Appraiser Designation Level shown by the particular task.

Adopted 10/01/99

RULE 3.47.1
MINIMUM QUALIFICATIONS FOR APPRAISAL MANAGER

Appraisal Manager - Level 4 Appraiser as certified by State of Arkansas Training and Designation Program, or IAAO educational equivalent, with a minimum of four years experience in the mass appraisal field, and successful completion of the reappraisal proficiency exam.

An appraisal manager may tentatively be responsible for a maximum of one hundred thousand parcels, with the exception of those reappraisal managers responsible for the reappraisal of individual counties with a parcel count exceeding one hundred thousand parcels. Exceptions to this rule may be granted by the ACD under certain conditions, dependent on distance and other factors.

Adopted 10/01/99

RULE 3.47.2
MINIMUM QUALIFICATIONS FOR OTHER APPRAISAL TASKS

Collection of Quantitative Physical Data, Residential Property - Employer Training
Collection of Qualitative Physical Data, Residential Property - Level 2
Collection of Quantitative Physical Data, Commercial Property- Level 3
Collection of Qualitative Physical Data, Commercial Property - Level 3
Establishment of Neighborhood Delineation/ Location Factors - Level 4
Preliminary Valuation - Level 4
Informal Appeals, Residential Properties - Level 3
Informal Appeals, Commercial Properties - Level 4
Board of Equalization Appeals - Level 4
County Court Appeals - Level 4
Circuit Court Appeals - Reappraisal Manager

Adopted 10/01/99
Amended 12/01/00

RULE 3.48
MAXIMUM ANNUAL FUNDING FOR REAPPRAISALS/REVIEWS

Whether the reappraisal discussed in these rules is simply a review of existing data or a more extensive reappraisal where every improvement is measured, funding to any county will be for the actual appraisal cost, up to a maximum of seven dollars per parcel, per year.

Adopted 10/01/99

RULE 3.49
MAXIMUM FUNDING FOR APPRAISALS OF NEW CONSTRUCTION

Adopted 10/01/99
Repealed 07/23/14

RULE 3.50
ASSESSORS DUTIES OTHER THAN REAPPRAISAL COSTS NOT ELIGIBLE FOR FUNDING

Certain duties of the assessor's office, including day to day maintenance of ownership records, property owners/taxpayers inquiries, and the assessment of personal property or mineral rights are not parts of the reappraisal process, and are not eligible for funding under Acts 1155 and 1185 of 1999.

Adopted 10/01/99

RULE 3.51
DEFINITIONS RELATING TO CHAPTER 3 RULES

Agricultural lands - Lands used for the production of timber, agricultural crops, or pasture. Each parcel not exceeding five acres in size will be assessed based upon market value, excepting those parcels for which are observed or property owner provided evidence of a genuine agricultural, pasture or timber use. The words agricultural, pasture or timber use mean that the land is managed in a fashion that indicates it is being used in the production of crops, livestock or lumber with a view toward profit.

City lands - Lands within the limits of an incorporated city.

Contracted reappraisal - A reappraisal conducted by non-county employees, and overseen by an appraisal manager who is an employee or principal in a reappraisal contracting firm.

House lot – A parcel or a part of a parcel of real property that is utilized or developed for day to day living. It may contain, but is not limited to some combination of the following man-made improvements: a dwelling, well, sewage tank or connection, other utility connections, garage, driveway, patio, deck, outbuildings, a fence or other visible boundary, natural formations such as trees and shrubbery, and that part of the property that is mowed or otherwise maintained for everyday living.

In-house reappraisal - A reappraisal conducted by employees of the county, and overseen by an appraisal manager. The appraisal manager may be an employee of the county or a contract appraisal manager.

Neighborhood - 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 an immediate and direct influence on the value of the subject property.

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.

Reappraisal - The estimating of the value of all taxable real property within the county as of a given date within a given time frame.

Rurban lands - Lands in a recorded, platted subdivision which lie outside the limits of any incorporated city.

Sectionalized Aerial Photos - Aerial photography with labeled representations of Section, Township and Range lines.

Adopted 10/01/99
Amended 03/03/02
Amended 07/05/04
Amended 12/20/06
Amended 04/26/10

RULE 3.52
WAIVER

In order to effect the successful implementation of Act 1185 of 1999, contingent upon prior review of the Legislative Council of the General Assembly of the State of Arkansas, and upon good cause being shown, the Director of the Department may waive or suspend any provision of the rules.

In the event of the granting of a waiver or suspension of any one or more of these Rules, each County Assessor and Contractor will be notified.

Adopted 10/01/99
Amended 3/03/02

CHAPTER FOUR

IMPLEMENTATION OF SPECIFIC STATUTES

RULE 4.01
PROCEDURES GENERALLY - EXTENSION OF LEVY DATE

STATUTORY AUTHORITY: A.C.A. 14-14-904 (Acts. 1997, No. 1300 Section 24)

1. All requests for an extension of time within which to levy taxes shall be addressed to the Director of the Department, dated and signed by both the County Judge and the County Clerk.

2. All requests must state the levy date which the county officials seek to extend and the reason for the request resulting from reappraisal or rollback of taxes.

Adopted 10/01/99

RULE 4.02
GENERAL AUTHORITY TO PROMULGATE RULES AND REGULATIONS & PRESCRIBE FORMS

STATUTORY AUTHORITY: A.C.A. 25-15-203, 26-24-107, 26-26-308 and 26-26-409

Adopted 10/01/99

RULE 4.03
EXTENSION OF TIME

STATUTORY AUTHORITY: A.C.A. 26-24-108 (Acts 1927, No.129 Section 12; Pope's Dig., Section 2038)

1. All requests for an extension of time shall be addressed to the Director and shall clearly describe the report which is the subject of the extension along with the time sought and the reason for the request.

2. All requests shall be signed by the person making the request and include that person's title.

Adopted 10/01/99

RULE 4.04
RATIO OF ASSESSED VALUE TO MARKET VALUE - EFFECT ON STATE AID OR TURN-BACK FUNDS

STATUTORY AUTHORITY: A.C.A. 26-26-304 (Acts 1955, No. 153 Sections 9,12; Acts 1957, No. 304 Section 1; Acts 1959, No. 31 Section 1; Acts 1959, No. 244 Section 1; Acts

1969, No. 60 Section 1; Acts 1987, No. 838, Section 1; Acts 1997, No. 440 Section 2(g).

Adopted 10/01/99

RULE 4.04.1a
PURPOSE, AUTHORITY, AND OBJECTIVE OF RATIO STUDY RULES

1. Purpose: The purpose of these rules is to ensure that real property in Arkansas is appraised accurately and uniformly in accordance with constitutional and statutory requirements, most notably A.C.A. 26-26-1902 and A.C.A. 26-26-304(e)(1).

2. Authority: A.C.A 26-26-304 directs the Arkansas Assessment Coordination Department (ACD) to prepare a ratio study by classification for each county and school district in valuation years. These rules set forth the procedures ACD will follow in conducting these studies for properties appraised on a market value standard and the requirements of counties and contractors in assisting ACD in effective completion of such studies.

   References to "counties" in these rules include contractors or vendors who work for or assist counties in the revaluation and assessment process.

3. IAAO Standards: A.C.A 26-26-304(a)(3) directs ACD to use generally accepted valuation procedures and techniques found in the International Association of Assessing Officers' (IAAO) standards on ratio studies. As a general matter, both the assessors and ACD should follow IAAO standards in preparing sales for the ratio study and in conducting such studies. These rules are intended to provide specific guidance and requirements for conducting ratio studies in Arkansas consistent with IAAO standards. However, where there may be differences or discrepancies between these rules and IAAO standards, these rules shall control.

4. Property type: Property values must be uniform among and within major property types. The ACD's ratio study of real properties appraised on a market value standard shall utilize the following three major types or classes of property (1) residential properties including multi-family properties with four units or less, (2) vacant land regardless of zoning or probable use, and (3) commercial and industrial properties including multi-family properties with five or more units.

5. Market areas: Property values must be uniform across and within major geographic divisions of a county. Each county shall define major geographic areas, termed "market areas". Each market area shall contain between 1,000 and 20,000 parcels, depending on value patterns and the economic diversity of the county. Market areas can be viewed as groups of neighborhoods in the same geographic area or areas that share similar economic characteristics and price ranges. Smaller or economically homogeneous counties may have a single market area.

6. Technology: The ratio study shall be performed efficiently using modern data processing technology. Counties must submit data to the Department in electronic format in standard formats provided by the Department.

RULE 4.04.1b

RATIO STUDY REQUIRED DATES

1. January 31: By January 31 of each year all counties shall submit to ACD an electronic file of all real property appraised (this file will be referred to as the ACD Extract report). This file shall include all deeds for the prior three calendar years. The file shall include the following items for each deed:

   - Parcel number
   - Property type code - the primary use code of the property.
   - Market area code.
   - Neighborhood code - actual neighborhood used in location analysis.
   - The current land, building, and total appraised values of the property before consideration of value caps, partial exemptions, etc.
   - The previous land, building, and total appraised values of the property before consideration of value caps, partial exemptions, etc.
   - The sale date, sale price (with any adjustments to the price noted in the Sales/Ratio comments), sale type (vacant or improved), deed type, deed book, deed page, grantor, grantee, and sales validation code.
   - Sales/Ratio related comments – comments for sales validation and/or adjustments to sales price (i.e. personal property, financing, etc.).
   - Tax/School District.
   - Subdivision name or Section, Township, and Range for unplatted parcels.
   - The land size and primary unit of measurement (lot, acres, square feet, etc.).
   - Location Factor.
   - The occupancy type code, total living area, construction grade, grade adjustment factor, year built (if available), effective age, and remaining economic life of the primary building in the case of residential properties.
   - The occupancy type code, gross building area, Marshall & Swift construction class code (A, B, C, D, or S), building quality code, quality adjustment factor, year built (if available), effective age, and remaining economic life of the primary building in the case of commercial and industrial properties.
   - The current total appraised value for any newly discovered property.
   - Homestead credit code.
   - The current total taxable assessed value of the property.
   - Total number of property record cards associated with parcel.

   The file shall contain one row per deed and must be in a format that is directly compatible with Excel. The template and exact order of items for this file will be determined by ACD so that report is standardized regardless of CAMA provider.

   In addition to the above mentioned files each county must submit in electronic format the following codes with descriptions : Deed types, Property types, and Sales Validation codes.

2. March 1: By March 1 ACD shall prepare a preliminary ratio study for each revaluation county that sets forth the level and uniformity of assessments in the county based on existing assessed values. Sales used in the study will not be adjusted for time.

3. April 1: By April 1 ACD will determine appropriate time adjustment factors for each county for each of the three major property classifications described in 4.04.1a.(4) based on sales submitted by the county and provide the results to the county.

4. June 1: By June 1 counties must notify the ACD of any disagreements with its time adjustment factors and submit any requested changes or modifications to the adjustments. (See also 4.04.1d.1 and 4.04.1d.2)

5. July 1: By July 1 counties conducting revaluations shall submit to ACD an electronic file of all real property appraised (this file will be referred to as the ACD Extract report). This file shall include all deeds for the prior three calendar years. The file shall include the following items for each deed:

   - Parcel number
   - Property type code - the primary use code of the property.
   - Market area code.
   - Neighborhood code - actual neighborhood used in location analysis.
   - The current land, building, and total appraised values of the property before consideration of value caps, partial exemptions, etc.
   - The previous land, building, and total appraised values of the property before consideration of value caps, partial exemptions, etc.
   - The sale date, sale price (with any adjustments to the price noted in the Sales/Ratio comments), sale type (vacant or improved), deed type, deed book, deed page, grantor, grantee, and sales validation code.
   - Sales/Ratio related comments – comments for sales validation and/or adjustments to sales price (i.e. personal property, financing, etc.).
   - Tax/School District.
   - Subdivision name or Section, Township, and Range for unplatted parcels.
   - The land size and primary unit of measurement (lot, acres, square feet, etc.).
   - Location Factor.
   - The occupancy type code, total living area, construction grade, grade adjustment factor, year built (if available), effective age, and remaining economic life of the primary building in the case of residential properties.
   - The occupancy type code, gross building area, Marshall & Swift construction class code (A, B, C, D, or S), building quality code, quality adjustment factor, year built (if available), effective age, and remaining economic life of the primary building in the case of commercial and industrial properties.
   - The current total appraised value for any newly discovered property.
   - Homestead credit code.
   - The current total taxable assessed value of the property.
   - Total number of property record cards associated with parcel.

   The file shall contain one row per deed and must be in a format that is directly compatible with Excel. The template and exact order of items for this file will be determined by ACD so that report is standardized regardless of CAMA provider.

   In addition to the above mentioned files each county must submit in electronic format the following codes with descriptions : Deed types, Property types, and Sales Validation codes.

6. September 15: By September 15 ACD shall prepare a final ratio study for each evaluation county setting forth the level and uniformity of assessments in the county for the revaluation year.

Adopted as corrected 10/14/2008
Amended by emergency procedure 06/12/09
Amended by permanent procedure 04/26/10
Amended by emergency procedure 01/31/2014
Amended by permanent procedure 07/23/2014

RULE 4.04.1c
SALES USED IN RATIO STUDIES

1. Sales time frame: In counties with at least 50,000 real property parcels, the ratio study will use *one* year of sales for vacant and residential properties and *two* years of sales for commercial and industrial properties. For all other counties the study will use *two* years of sales for vacant and residential properties and *three* years of sales for commercial and industrial properties.

2. Audit of county submissions: The ACD will compare county sales submissions against records maintained by county recorders to ensure that all warranty deeds have been timely submitted.

3a. Sales validation codes: Counties shall assign one of the following validation codes to each sale to be included on all sales submitted to ACD.

00	UV	Unverified sale
01	VS	Valid sale
02	GO	Sale to or from a government agency
03	CH	Sale to or from a charitable, religious, or educational institution
04	FI	Sale in which a financial institution is the buyer in lieu of foreclosure, or in which a financial institution is the seller and the property is not exposed to the open market
05	RL	Sale between related parties (Ex. Family transaction, employer/employee transaction, inter-company transaction)
06	CV	Sale of convenience, e.g., to correct a title defect or create a joint tenancy
07	ES	Sale settling an estate
08	FS	Forced sale – seller is sheriff, receiver, or court officer
09	DT	Sale of doubtful title
10	TR	Sale involving a trade
11	PI	Sale of a partial interest in the property
12	CT	Sale involving a land contract (including payoff of the contract)
13	CS	Significant improvement (e.g., room addition or renovation) to a property between sale date and assessment date
14	AS	Assemblage sale – purchase of an adjoining property at a premium price
15	MU	Sales that ***fail*** to constitute an economic unit of multiple properties (includes bulk sales of properties to a developer or builder)

16	PP	Sale involving personal property of significant but undeterminable value (see discussion in 4.04.1d.3)
17	OF	Sale involving non-market financing or other non-real estate considerations of significant but undeterminable value (see discussion in 4.04.1d.4)
18	FD	Future Development/Sale includes new dwelling to be assessed
19	MH	Sale includes mobile home
20	AL	Land priced as AG, not priced at market value

3b. Information codes considered valid sales:

25	VA	Primary parcel of a group of parcels that have sold
26	AP	Additional parcels that are linked to the primary parcel

4. Audit of county validation codes: The ACD will audit a random sample of sales submitted by each revaluation county to ensure that validation codes have been correctly assigned, including residential sales, commercial sales, and vacant sales if available. The ACD shall share its audit findings with the county and the county shall have an opportunity to dispute its findings. If the ACD determines that more than 10% of sampled vacant, residential, or commercial sales are incorrectly coded, it shall not use validation codes submitted by the county for that property class, but rather shall use electronic edits, select and validate a random sample of sales, or take other measures deemed appropriate to ensure a valid study.

5. Sales valid for study: The ACD shall use sales coded as 01 (VS), 00 (UV), 25 (VA) and 26 (AP) in its ratio studies. If there is a disagreement between a county and the ACD as to the proper validation code for a sale, the ACD shall use the code it considers most appropriate. The 01 (VS), 00 (UV), 25 (VA) and 26 (AP) sales shall be subject to electronic edits (see 3.11).

6. Multiple sales of the same property: If more than one valid sale occurs for a property during the time frame of the study, all sales considered valid shall be used in the study.

7. Multiple parcel sales: Sales of multiple parcels that constitute a single economic unit should be included in the study by summing the assessments and comparing the total assessed value with the sale price. Such sales should be screened in the same manner as individual parcel sales to determine whether they are legitimate representations of market value.

8. New construction sales: To help ensure that vacant land sales are not compared with assessments that reflect recent improvements and to prevent the study from being disproportionately influenced by new construction, sales involving new construction (e.g., as indicated by the year built) shall not be used in the ratio study.

9. Low-value properties: The lowest 10% of residential assessed values and the lowest 10% of commercial/industrial assessed values shall be excluded from the study. The lowest 10% of vacant land assessed values or all vacant land assessed values less than or equal to $400 ($2000 full value), whichever is higher, shall be excluded from the study. These properties will be removed prior to conducting electronic edits.

10. High-value commercial properties: Any property that constitutes more than 5% of the total assessed value of commercial and industrial properties in a county will be excluded from the study. These properties will be removed prior to electronic edits.

11. Electronic edits: The ACD may conduct statistical-based edits to filter properties with atypical features, sales prices, or assessment-to-sale ratios from the study. Not more than approximately 5% of sales shall be filtered from the study based on ratio alone.

12. Appraisals: In order to achieve adequate sample size and representativeness for commercial and industrial properties, the ACD may appraise a random sample of such properties. All three approaches to value shall be considered. The approach emphasized in a particular appraisal shall be appropriate for the type of property in question. The assessor and appraisal contractor shall be afforded an opportunity to review the appraisals and to submit information supporting different value conclusions. Conflicts will be resolved by an independent third party review if different value conclusions will materially affect the outcome of the study. The appraisal will serve as surrogate commercial/industrial sales in the study. The ACD will not conduct appraisals of vacant or residential properties.

Adopted as corrected 10/14/2008
Amended by emergency procedure 06/12/09
Amended by permanent procedure 04/26/10
Amended 07/23/2014

RULE 4.04.1d
ADJUSTMENT OF SALES FOR RATIO STUDIES

1. Time adjustments: All sales used in the ratio study shall be adjusted for time as necessary to January 1 of the assessment year. The ACD shall conduct time analysis studies using the techniques set forth in the IAAO *Standard on Ratio Studies* and the IAAO textbook, *Mass Appraisal of Real Property*. Counties may submit documented time adjustments to ACD, which ACD may rely on if it finds that the adjustments are based on sound methodology and adequately reflect the market. The ACD shall have authority to determine final time adjustments used in its ratio studies.

2. Time adjustment categories: The ACD will conduct time adjustment analyses for residential properties, vacant properties, and commercial/industrial properties. For purposes of these analyses, it may combine properties of the same type in counties that are similar in terms of their economic base and geographic location.

3. Personal property adjustments: If a sale includes personal property of significant value and the value of the personal property can be determined with reasonable accuracy, the value of the personal property shall be subtracted from the sale price and the adjusted price used in the study. If the value of the personal property appears to be 5% or more of the sale price but its value cannot be determined with reasonable accuracy, or if the value appears to exceed 25% of the price, the sale shall be excluded.

4. Other adjustments: Counties may also make adjustments to sales prices for cash equivalency, assumed leases, and other non-real estate considerations that

significantly affect the price paid for a property. The basis for these adjustments must be documented and available for inspection by ACD. As a general principle, sales that require difficult or subjective adjustments should be excluded from the study (assign validation code 17 or 'OF').

RULE 4.04.1e
COMPLIANCE WITH RATIO STUDIES STANDARDS REQUIRED

1. Level of compliance: Counties conducting a revaluation must comply with ratio study standards for real property appraised on a market value basis both on an overall basis and for each of the following three major property type strata: (1) residential, (2) vacant land, and (3) commercial and industrial. In addition, ratio study standards must be achieved for residential properties and vacant land within each market area.

2. Overall level of assessment: The overall level of assessment must be from .18 to .22. The overall level of assessment shall be computed as a weighted average of the median ratio determined for each of the three major classes: residential, vacant, and commercial/industrial. The weight assigned to each major class shall be proportionate to the estimated market value of the class. Any property that constitutes more than 5% of the assessed value of its class shall be omitted for purposes of the calculation.

3. Level of assessment of class: The level of assessment for each major class (residential, vacant, and commercial/industrial) must be from 18% to 22%. ACD shall conclude that a county has failed this requirement if statistical analysis reveals with 95% confidence that the true median assessment level is below 18% or above 22% (or equivalently that a 90% confidence interval for the median falls entirely below 18% or entirely above 22%).

4. Level of assessment of market area: The level of assessment for residential properties and vacant land within each market area of a county must be from 18% to 22%. ACD shall conclude that a county has failed this requirement if statistical analysis reveals with 95% confidence that the true median assessment level is below 18% or above 22% (or equivalently that a 90% confidence interval for the median falls entirely below 18% or entirely above 22%).

5. Uniformity of assessment: The coefficient of dispersion (COD) must meet the standards shown below. The ACD shall conclude that these standards are not met when a statistical analysis reveals with 95% confidence that the true COD is greater than the required COD. The procedure outlined in Robert J. Gloudemans, "Confidence Intervals for the COD: Limitations and Solutions", *Assessment Journal* (IAAO, November/December 2001) will be used for this purpose.

   - Residential property: The COD must be 15.0 or less in market areas located in counties with 50,000 or more parcels and 20.0 or less in market areas located in counties with less than 50,000 parcels.

   - Vacant land: The COD must be 20.0 or less in market areas located in counties with 50,000 or more parcels and 25.0 or less in market areas located in counties with less than 50,000 parcels..

- Commercial property: The COD must be 20.0 or less in counties with 50,000 or more parcels and 25.0 or less in smaller counties.

As experience is gained, the ACD may tighten these standards so that they are closer to or equivalent with IAAO standards for the COD.

6. Failure to comply: If a county fails to meet the level or uniformity standards set forth in 2 through 5 above, the ACD shall promptly notify the county assessor, the appraisal manager, the Board of Equalization, and the county judge of the out of compliance status and withholding of funding, and shall invoke the corrective actions outlined in A.C.A. 26-26-304(f).

7. Selective appraisal of sold properties: The ACD shall vigilantly monitor whether counties are appraising unsold properties in the same manner as sold properties. Such tests shall include but not be limited to a comparison of percentage changes in value for sold and unsold properties of the same property type in the same market area (excluding new parcels and parcels with new construction). The ACD may also employ other tests of selective appraisal outlined in IAAO ratio study standards and the IAAO textbook, *Mass Appraisal of Real Property*. If the ACD determines that a county is not appraising unsold properties in a property type, market area, or other property stratum in the same manner as sold properties, the ACD shall deem that the county has failed that portion of the ratio study and its responsibility to appraise properties uniformly at market value. ACD shall invoke the corrective actions outlined in A.C.A. 26-26-304(f).

RULE4.04.1f
APPEAL OF RESULTS OF RATIO STUDY FINDINGS

1. Appeals to ACD Director: A.C.A. 26-26-304(g) provides that a county that is aggrieved at the findings of the ratio study may appeal the results to the Director of ACD and have the right to examine ACD's records.

2. Openness: The ACD shall provide the results of its statistical analyses to counties and, upon request, shall provide the underlying data and statistical algorithms used in its calculations.

3. Further appeal: At their option, counties may pursue other avenues of appeal of the findings of the Department as provided by the laws and courts of the State of Arkansas.

RULE 4.04.1g
OTHER COMPONENTS OF RATIO STUDY

A. AGRICULTURAL LAND CLASSIFICATION

1. **METHOD OF CONDUCTING AGRICULTURAL LAND CLASSIFICATION**

In conducting this component of the ratio study, the Arkansas Assessment Coordination Department shall use generally accepted valuation procedures, statistical compilation, and analysis techniques found in the International Association of Assessing Officers standards on ratio studies. (See *Standard on Ratio Studies,* approved July 1990, International Association of Assessing Officers or the current edition of same, hereafter referred to as "SORS", which incorporates selected chapters and appendices of the *Property Appraisal and Assessment Administration,* published by the International Association of Assessing Officers, 1990 edition or current edition, hereafter referred to as "PAAA").

a. DEFINITION OF TERMS: Terms used in connection with the ratio study on market value real property shall be as defined in "SORS" and "PAAA"

b. The ratio study on agriculture land shall be based on a physical examination of the records of each assessor's office to determine the degree of compliance with the criteria established in the Assessment Coordination Department Agricultural Land Values Publication.

2. METHOD OF DETERMINING AGRICULTURAL LAND SAMPLES

The Field Auditor will select 100 random samples. Sales are not used. The appropriate number of random samples shall be divided in accordance with the proportion of agricultural parcels per school district. Any prospective sample to be excluded shall be recorded and validity of the exclusion must be documented.

3. SELECTION OF SAMPLES

Agricultural samples will normally be worked between January 1st and April 19th of the valuation year, but they may be worked earlier or later depending on when the county or contractor has completed soil coding. By rule 50% of soil coding must be complete by April 19th of the valuation year. Selected samples are used for both the ratio study and for a performance audit. The Field Auditor will determine during the valuation audit if the proper schedule of agricultural values established by the ACD has been adopted.

4. PROCEDURE

In July of each year the ACD will perform a ratio study to determine whether the county has followed guidelines for the valuation of agricultural land in compliance with Arkansas code 26-26-407. The following is the procedure used by ACD it determining each county's Agricultural Land ratio:

a. Publications by the Assessment Coordination Department containing the Agricultural Land Value Tables for the Southwest, Delta, Ozark and Ouachita regions of Arkansas shall be used to determine land values for agricultural land. The tables represent the Land Capability Classification System, as designated by the U.S. Department of Agriculture's Natural Resource and Conservation Service (NRCS). There are *three* categories of agricultural land consisting of Crop, Pasture, and Timber, each with a value representing the productivity of the eighteen soil classes, if applicable (represented by an *ACD NUMBER*). This is in compliance with Arkansas code 26-26-407.

b. For each sample, a ratio is computed using the county's assessed value and the total parcel value calculated by the ACD Field Auditor.

c. To determine the county assessment ratio on agricultural land of the samples being used, totals are calculated of the county's assessments and of the total land values as determined by the ACD Field Auditors. The total assessment is then divided by the ACD total land values, and that total is multiplied times 100 to establish the percent ratio for the county.

d. Field Auditors will discuss their findings regarding irregularities in agricultural land with the Assessor prior to August 1.

B. BUSINESS PERSONAL CLASSIFICATION

1. EXAMINATION OF RECORDS

This component of the ratio study shall be based on a physical examination of the current year's records of each assessor's office to determine the degree of compliance with the criteria established in the Standard on Valuation of Personal Property published by the International Association of Assessing Officers (IAA).

When the fieldwork commences for the current year, instructions as to the number of business personal commercial samples shall be provided.

2. METHOD OF DETERMINING NUMBER AND LOCATION OF SAMPLES

The minimum sample size for each county shall be determined by the population of the county as reflected in the latest final census figures and the number of businesses therein. Those counties with populations: of 29,999 and below shall have 20 samples; of 30,000 through 69,999 shall have 40 samples; of 70,000 through 199,999 shall have 50 samples and of 200,000 and above shall have 90 samples.

3. SELECTION OF SAMPLES

After determining the total business personal parcels in the county, the number of samples needed shall be divided into that figure to set the selection interval; however, if a business tentatively selected by this method results in a sample that does not fit into a category recognized in the square foot section of Commercial Personal Property Appraisal Manual, then the next business shall be selected.

4. PROCEDURE

a. When the Commercial Personal Property Sample Form has been completed on all of the businesses selected for use in the study, the Field Auditor shall go to the business site, compute the square footage, and grade the inventory and the furniture and fixtures as to density and quality.

b. In August the Field Auditor shall return to each county, after the county has completed its personal property assessments for the current year, and complete

the Commercial Personal Property Takeoff Form.

5. **RATIO COMPUTATION**

a. If the county has been provided a good rendition by the business which included a fixed assets' listing and applied the ACD's suggested depreciation schedule to those assets, the County shall automatically receive a twenty percent on those fixed assets and the inventory; if not, the proper assessment shall be computed by the square foot method described in the manual.

b. A comparison of the actual assessed value and the value computed by the Field Auditor produces the ratio.

c. The ratios for all of the businesses are then ranked and the median ratio is determined by county, by school district and by cities in that county. This results in the Current Year Commercial Personal Property Median Ratio.

C. AUTO/OTHER CLASSIFICATION

This component of the ratio study shall be based on a physical examination of the current year's records of each assessor's office to determine the degree of compliance with the criteria established in the Standard on Valuation of Personal Property published by the International Association of Assessing Officers (IAAO).

1. **METHOD OF DETERMINING NUMBER AND LOCATION OF SAMPLES**

The minimum sample size for each county size shall be determined by the population of the county as reflected in the latest final census figures and the number of businesses therein. Those counties with populations: of 29,999 and below shall have 40 samples; of 30,000 to 69,999 shall have 70 samples; 70,000 to 199,999 shall have 100 samples and of 200,000 and above shall have 180 samples.

2. **SELECTION OF SAMPLES**

The Field Auditor shall be instructed to get random samples of automobiles from the current year through the last fifteen years and of trucks from the current year through the last fourteen years. Only one vehicle shall be taken from each assessment.

3. **PROCEDURE**

In August the Field Auditor shall return to each county, after the county has completed its personal property assessments for the current year, and complete the Personal Property Takeoff Form.

4. **RATIO COMPUTATION**

A comparison of the actual assessed value and the value computed utilizing the manual by the Field Auditor produces the ratio by county, by school districts and by cities in that County.

5. **FORMULAS UTILIZED AND TESTS CONDUCTED**

a. *Median* (See *Standard on Ratio Studies,* approved July 1999, International Association of Assessing Officers or current edition)

b. *Coefficient of Dispersion* (See *Standard on Ratio Studies,* 1999, International Association of Assessing Officers or current edition)

c. Not required, but also computed:

i. *Mean* (See *Standard on Ratio Studies,* approved July 1999, Association of Assessing Officers or corresponding provisions contained in any superseding edition of same)

ii. *Average Absolute Deviation* (See *Property Appraisal and Assessment Administration,* published by the International Association of Assessing Officers, 1990 edition or current edition)

iii. *Coefficient of Concentration:*

a) Of the samples that are used, the percentage of observations which are within plus or minus ten percent of the legal ratio of twenty percent.

b) Of the samples that are used, the percentage of observations which are within plus or minus ten percent of the median ratio.

iv. *Weighted Mean* (See *Standard on Ratio Studies,* approved July 1999, International Association of Assessing Officers or current edition)

v. *Standard Deviation* (See *Property Appraisal and Assessment Administration,* published by the International Association of Assessing Officers, 1990 edition or current edition)

vi. *Price-Related Differential* (See *Standard on Ratio Studies,* approved July 1999, International Association of Assessing Officers)

vii. *Coefficient of Variation* (See *Standard on Ratio Studies,* approved July 1999, International Association of Assessing Officers or current edition - to select sample sizes)

6. DEFINITION OF TERMS

Terms used in connection with the ratio study on market value real property shall be as defined in "SORS" and "PAAA".

Adopted 10/01/99
Amended 12/20/00
Amended 07/05/04
Amended 12/20/06
Amended 04/26/10
Amended 07/23/14

RULE 4.05
GENERAL RULES FOR APPRAISAL CONTRACTORS

The ACD shall maintain an Annual Register of Appraisal Companies and shall not approve a contracted appraisal plan of an Appraisal firm which has not registered with the ACD by submitting the following information:

1. Name, physical address, mailing address, telephone number of appraisal firm;

2. Type of entity, corporation, partnership or sole proprietorship;

3. If a corporation, certificate or proof of good standing;

4. If a corporation, list the stockholders and officers and provide three professional references for each;

5. If a partnership, provide three professional references for each partner;

6. If a sole proprietorship, provide three professional references;

7. For each officer, partner or sole proprietor, fully describe the qualifications of each, including all mass appraisal experience;

8. List of all personnel employed by the appraisal firm who will be performing mass appraisal work in Arkansas, stating whether they are full time or part time employees, or independent contractors, and the appraiser qualification level of each, and the number of years of experience in mass appraisal of each;

9. All appraisal personnel must meet the qualification requirements established under Act 48 of 1980, and all Level Three and Level Four appraisers must meet the continuing educations requirements of 30 hours every three years in order to maintain their qualification levels;

10. List of each county in Arkansas where the appraisal company has performed for the last five years with the year or years when the work was performed, whether the work was maintenance (new construction) or revaluation, and a reference source on each job;

11. A copy of all current insurance documents and bonds covering the company;

12. A statement as follows: The appraisal company recognizes that the information contained herein shall be used by counties in determining whether to contract with it and used by the Assessment Coordination Department in determining whether the firm can adequately perform under a proposed contract; therefore, the appraisal company agrees that all information contained herein will be updated in a timely manner;

13. Any other information the ACD or the appraisal company deems relevant;

14. All information submitted will be made public information and is intended for use by

counties who are contemplating employing appraisal companies;

15. The appraisal company must demonstrate that it is financially sound. An owner or principal officer of the company shall submit a written and signed statement that: "The appraisal company is financially sound and possesses sufficient operating capital to perform any contract it is awarded and continue to meet its other outstanding contractual and financial obligations and will provide a current financial statement if requested by the ACD".

Adopted 10/01/99
Amended 07/05/04

RULE 4.05.1
REMOVAL OF APPRAISAL COMPANY

The Director of the Assessment Coordination Department may, for cause, remove an appraisal company from the list of registered contractors doing mass appraisal work within the State of Arkansas.

Adopted 07/05/04

RULE 4.06
COUNTYWIDE REAPPRAISAL OF PROPERTY

STATUTORY AUTHORITY: A.C.A. 26-26-306 (Acts 1997, No. 836 Section 2)
STATUTORY AUTHORITY: A.C.A. 26-26-308 (Acts 1997, No. 836 Section 4)

Adopted 10/01/99

RULE 4.07
COMPLETION OF REAPPRAISAL - SUSPENSION OF PENALTIES

STATUTORY AUTHORITY: A.C.A. 26-26-307 (Acts 1997, No. 836 Section 3)
STATUTORY AUTHORITY: A.C.A. 26-26-308 (Acts 1997, No. 836 Section 4)

In keeping with the intent of Act 836 of 1997, newly discovered and newly constructed property will be appraised and assessed at the value prevailing before the implementation of Act 758 of 1995.

1. In the year any reappraisal is being completed, the assessor shall maintain a list of newly constructed or newly discovered property encountered during the reappraisal.

2. To insure that all property within a county is equitably assessed, an assessor whose county did not fail its last ratio study, may revise property values in a particular neighborhood (s) only if all other neighborhoods in the county have been surveyed and there is evidence that they are correctly appraised at full market value.

3. A reappraisal management plan must be must be filed with the department no later than November 1 of the year preceding the commencement of the reappraisal.

4. The ACD shall prepare and distribute to the counties an “In-House Countywide Reappraisal Plan” form No. A-9 and a “Contracted Countywide Reappraisal Plan” form A-10 which contains the minimum criteria for Plans which shall be accepted by the ACD.

5. The ACD retains the authority to reject a Plan which may meet the minimum criteria as published, but which it determines is not submitted in good faith.

6. There may be additional safeguards which should be inserted into the forms. The form is not meant be complete or exhaustive. It is the responsibility of each county to determine the specific language for inclusion in its final plan and contract.

7. A county that has contracted with a private appraisal company and subsequently learns that the private appraisal company is not fulfilling its contractual obligations shall promptly notify the Assessment Coordination Department and file a complaint in writing stating the allegations giving rise to the complaint. The Assessment Coordination Department shall then notify said private appraisal firm that a complaint has been filed, enclosing a copy of the complaint.

8. Any member of the staff of the Assessment Coordination Department, or a member of the public, who learns of a possible violation of the contractual obligations of a private appraisal company and the county, may also file a complaint with the Assessment Coordination Department.

9. The Director of the Assessment Coordination Department shall then set a conference date no earlier than thirty days from the date that the private appraisal firm, the Assessor, and the complaining party are notified by certified mail, return receipt requested, setting a place and time for the conference and advising the complaining party, private appraisal firm and the Assessor of their right to be present to present the allegations and any rebuttal. Said conference shall be open to the public and attended by members of the staff of the Assessment Coordination Department as designated by the Director.

10. Should the Director of the Assessment Coordination Department or his appointee determine that the private appraisal firm has failed to abide by the appraisal standards of the International Association of Assessing Officers and that the failure is significant and pervasive resulting in substandard appraisals that if the private appraisal company does not agree to immediately correct the problem at its own expense, and do so, that the Assessment Coordination Department shall not approve any future plans involving that private appraisal company until such time as the defects are substantially corrected.

11. If a county fails to abide fully by the terms of a filed Plan and the Director of the ACD has reached a preliminary decision to terminate the Plan, the ACD shall not do so unless it has notified the County, setting out the factors giving rise to its decision to terminate and affording the County an opportunity to appear before the Director to show cause why the Plan should not be terminated for good cause. The ACD shall

notify all signatories to the Plan, by certified mail, of their right to appear and participate in the event of a preliminary decision to terminate the Plan, and the time and place shall be set for a full consideration of the matter and their right to appear and participate. On termination of a Plan, the ACD shall promptly notify the proper fiscal officers disbursing state aid and turn-back funds that the County does not have an approved Plan that is being implemented, and ask that the full range of penalties provided by law be applied to the County.

12. Any action or pending action by the ACD involving allegations that an appraisal firm has failed to abide by its contractual obligations to a county shall not in any manner preclude the filing of an action in the appropriate court of this State by any of the parties to the contract.

Adopted 10/01/99

RULE 4.08

PROCEDURE FOR ADJUSTMENT OF TAXES AFTER REAPPRAISAL OR REASSESSMENT OF PROPERTY

STATUTORY AUTHORITY: A.C.A. 26-26-402 (Acts 1981, No. 848, Section 1; Acts 1997, No. 1300, Section 22)
STATUTORY AUTHORITY: A.C.A. 26-26-409 (Act 1981, No. 848 Section 9)

1. To test for rollback in each taxing unit, use the full-reappraised real estate value plus personal property value and utility property value. If the aggregate increase exceeds 10% from the previous year, rollback computations must be calculated for each year of the three years in which assessments are added as per Act 1185 of 1999.

2. Assessed value on which taxes will be certified for collection (one third value increases as per 1185) shall be used in real estate rollback calculations.

3. In calculating the real estate rollback the first year after reappraisal, the taxing units will be allowed to receive base year revenues plus 10% revenue increase or all of newly discovered property increases if they exceed 10%.

4. In the second and third year after reappraisal the taxing units will consider base year revenues as being the revenues from the previous year assessments for real estate.

5. In the second and third year after reappraisal the taxing units will calculate the zero base rollback millage and then apply the unused portion of the optional 10% increase from the previous year (if any).

6. Real estate rollback will be calculated in all taxing units in the second and third year except in cases where the aggregate increase (full market value increase) from the reappraisal plus newly discovered property does not exceed 10% in the first year.

Adopted 10/01/99

RULE 4.08.1

DEFINITIONS RELATING TO AMENDMENT 59 AND ACT 848 OF 1981

1. REAPPRAISAL - The estimating of value of all taxable real property within the county as of a given date within a given time frame.

2. MASS APPRAISAL - Estimating the value of a group of properties as of a given date, within a given time frame using generally accepted techniques.

3. REASSESSMENT - Process of placing reappraisal values in the official assessment record.

4. COUNTY-WIDE REAPPRAISAL - Mass appraisal of certain classes of properties within a county, provided those other classes of property not reappraised have had their values reviewed and are currently assessed at acceptable levels.

5. PREVAILING VALUE - Value of a property as determined by the existing appraised values of other similar properties in the county.

6. NEWLY DISCOVERED PROPERTY - Property that has never been on the assessment roll.

7. NEW CONSTRUCTION AND IMPROVEMENTS - Changes to property that have occurred to property already on the assessment roll.

8. BASE YEAR - Year when reassessed values are entered on assessment roll.

9. MARKET VALUE - Most probable sale price of a property in terms of money in a competitive and open market, assuming that the buyer and seller are acting prudently and knowledgeable, allowing sufficient time for the sale, and assuming that the transaction is not affected by undue pressures.

10. BONA FIDE AGRICULTURAL LAND - Land that is devoted to the production of commercial quantities of plant products to be used for human consumption, animal feed, or as a textile.

11. BONA FIDE PASTURE LAND - Land to benefit grazing animals, or growing forage crops with the intent of selling or storing for future use.

12. BONA FIDE TIMBER LAND - Forest land that is producing, or capable of producing, crops of industrial wood and is not withdrawn from timber utilization (Appendix, pg 30, "*Forest Resources of Arkansas"* Southern Forest Experiment Station, Resource Bulletin SO-169, Feb. 1992).

Adopted 10/01/99
Amended 12/20/00
Amended 07/05/04
Amended 09/25/08

RULE 4.08.2

DEFINITIONS RELATING TO AMENDMENT 79

1. CHANGE IN USE - The terms "newly discovered" and "newly constructed" as contained in Arkansas Constitution Amendment 79 shall be construed to include change in use.

2. SUBSTANTIAL IMPROVEMENT TO REAL PROPERTY- The term “substantial improvements to real property” as used in Amendment 79, Sections 1(b)(2), 1 (c)(2), and 1(d)(4) means:

   a. Renovation, reconstruction, and refurbishment occurring to further a change in the use and/or class of an improvement. Upon completion of the renovation, reconstruction or refurbishment the assessor shall note the change in use and reappraise the improvement based upon its prevailing market value in the following assessment year. If multiple improvements reside on the parcel, only those that have been renovated, reconstructed or refurbished shall be reappraised and the remainder shall continue to be valued in accordance with Amendment 79, Sections 1(b)(1), 1(c)(1) or 2(b) whichever is appropriate.

   b. Renovation, reconstruction, and refurbishment occurring that will add 25% or more to the contributory value of an improvement to the property. Upon completion of the renovation, reconstruction or refurbishment the assessor shall note and document the contributory value increase and reappraise the improvement based upon its prevailing market value in the following assessment year. If multiple improvements reside on the parcel, only those that have been renovated, reconstructed or refurbished shall be reappraised and the remainder shall continue to be valued in accordance with Amendment 79, Sections 1(b)(1), 1(c)(1) or 2(b) whichever is appropriate.

   c. Newly constructed and newly discovered property shall be assessed at full value.

   NOTE: “substantial improvements to real property” as used in Amendment 79, Sections 1(b)(2), 1(c)(2), and 1(d)(4) does not include normal maintenance on an improvement intended to only maintain its existing utility.

3. FULL VALUE (aka market value or appraised value) is a property’s most probable selling price or current value estimate as of the statutory valuation date.

4. FULL ASSESSED VALUE (aka Assessed Value) is equal to 20% of the Full Value.

5. TAXABLE ASSESSED VALUE is the value after any applicable limitations to Full Assessed Value increases contained in Amendment 79 to the Arkansas Constitution are applied. Taxable Value will be less than or equal to Full Assessed Value.

Adopted 10/01/99
Amended 12/20/00
Amended 07/05/04
Amended 09/25/08
Amended 4/26/10
Amended 12/07/12

RULE 4.09
COMPREHENSIVE COUNTYWIDE REAPPRAISALS - APPLICABILITY

STATUTORY AUTHORITY: A.C.A. 26-26-401 (Act 1981, No. 848 Section 8)

1. When an Assessor is of the opinion that a "comprehensive countywide reappraisal" has been completed, Form No. A-11 shall be completed immediately, signed and notarized and submitted to the Director of the ACD for investigation, determination and certification.

2. When any member of the county equalization board, quorum court, taxing unit or taxpayer within the county is of the opinion that a "comprehensive countywide reappraisal" has been completed and so informs the ACD in writing giving those facts on which the opinion is based, the ACD will investigate and determine whether certification is required.

3. In determining whether a comprehensive countywide reappraisal has occurred, the ACD shall consider that since it provides tables for use in valuing agriculture and timber lands that those properties have been reappraised each year. Likewise, all personal property shall be considered to have been reappraised each year.

4. On receipt of a properly completed form, the Director of the Assessment Coordination Department shall determine whether the County has completed a comprehensive county-wide reappraisal, and if so, shall certify the reappraisal.

5. In determining whether a comprehensive countywide reappraisal has been completed, the following definitions shall be utilized:

   a) Reappraisal - A re-estimation of values using mass appraisal techniques.

   b) Mass appraisal - Estimating the value of a group of properties as of a given date, within a given time frame.

   c) County-wide reappraisal - The mass appraisal of certain classes of properties within a county, provided those other classes of property not reappraised have had their values reviewed and are currently assessed at acceptable levels.

Adopted 10/01/99

RULE 4.10
CERTIFICATION OF ASSESSED VALUE DATA

STATUTORY AUTHORITY: A.C.A. 26-26-403 (Act 1981, No. 848, Sections Two and Nine.)

1. Form No. CC - 4 entitled Base Year Certification of Assessment Data on Real Estate is adopted to comply with this statute.

2. Form No. CC - 5 entitled School District Calculation to Determine Minimum Millage Required by Amendment 74 is adopted to comply with this statute.

Adopted 10/01/99

RULE 4.11
COMPUTATION AND CERTIFICATION FORM

STATUTORY AUTHORITY: A.C.A. 26-26-404 (Act 1981, No. 848 Section Three)

Form No. GB-1 entitled Base Year Millage Rollback Computation and Certificate Form is adopted to comply with this statute.

Adopted 10/01/99

RULE 4.12
PERSONAL PROPERTY INTERIM MILLAGE ADJUSTMENT

STATUTORY AUTHORITY: A.C.A. 26-26-405 (Act 1981, No. 848 Section 4)

Form No. CC-2 entitled Personal Property Interim Millage Adjustment is adopted to comply with this Statute.

Adopted 10/01/99

RULE 4.13
VALUATION GUIDELINES

STATUTORY AUTHORITY: A.C.A. 26-26-304 and 26-26-407

1. Manual entitled Assessors' Replacement Cost Real Estate Manual is promulgated to comply with this Statute. This manual may be used as a guide and is not mandatory.

2. Publication entitled Agricultural Land, Pasture Land and Timber Land Guidelines is promulgated to comply with this Statute. **USE OF THIS PUBLICATION IS MANDATORY.**

3. Manual entitled Personal Property Assessment Manual is promulgated to comply with this Statute. This manual may be used as a guide and is not mandatory.

4. Manual entitled Commercial Personal Property Appraisal Manual is promulgated to comply with this Statute. This manual may be used as a guide and is not mandatory.

Adopted 10/01/99

RULE 4.14
IMPLEMENTATION OF MILLAGE ROLLBACK IN FRINGE SCHOOL DISTRICTS

STATUTORY AUTHORITY: A.C.A. 26-26-408 (Act 1981, No. 848, Section Seven)

1. Form No. CC-3 entitled Fringe District Rollback is adopted to comply with this Statute.

2. In a case where a fringe district is engaged in a reappraisal the millage rates shall be rolled back, immediately fringed and levied in both counties.

Adopted 10/01/99

RULE 4.15
TRAINING CRITERIA FOR APPRAISERS

STATUTORY AUTHORITY: A.C.A. 26-26-503 (Acts 1980 (lst Ex. Sess.) No. 48, Sections One, Two; 1985, No. 392, Sections One, Two)

1. Form No. M-1 entitled Application for Admission - Arkansas Assessment Training Program.

2. Training and Designation Program as described in Form No. M-2 entitled Training and Designation Program for Appraisers Employed by State and County Officials is adopted.

Adopted 10/01/99

RULE 4.16
PROPERTY USED FOR OTHER THAN CHURCH PURPOSES

STATUTORY AUTHORITY: A.C.A. 26-26-1113 (c) (1); (Act 1987, No. 1040, Sections One, Two)

The Assessment Coordination Department shall promulgate reasonable rules and regulations to effectuate the provisions of this chapter.

Adopted 10/01/99

RULE 4.17
ASSESSMENT OF PERSONAL PROPERTY TAXES BY MAIL OR BY TELEPHONE

STATUTORY AUTHORITY: A.C.A. 26-26-1114 (c); (Act 1989, No.517, Section One; Act 1991, No. 291 Section One; Act 1993, No. 1261, Section One)

When assessing by telephone, record forms containing information taken by telephone shall be clearly identified as telephone assessments on the property owner signature line and shall bear the signature of the assessor or deputy assessor who conducted the

telephone interview with the property owner.

Adopted 10/01/99

RULE 4.18
VALUATION PROCEDURES

STATUTORY AUTHORITY: A.C.A. 26-26-1202; (Act 1883, No. 114, C. & M. Dig., No. 9919, Pope's Dig. No. 13653)

For the purpose of this Act, the following term(s) are defined:

1. Real property is the physical parcel of land, and improvements attached to the land, such as buildings.

2. Fixtures which can be severed from the realty without substantial damage either to itself or to the realty are personal property.

Adopted 10/01/99

RULE 4.19
UNIFORM NOTICE OF REAL ESTATE VALUE CHANGE

There is hereby established a Uniform Notice of Real Estate Value Change. The Notice shall be printed on paper no smaller than 8.5" wide by 11" long. All counties, contractors or others required to notify property owners of value changes shall employ the form displayed as item A-15 of the Appendix. No information set out in the form may be excluded but additional information may be displayed provided the Assessment Coordination Department gives prior consent. Counties employing Section 1 of Amendment 79 shall not be required to list assessments in subsequent years on the form. Sending notices not conforming to the above shall constitute a violation of this rule, and when discovered, the responsible party will be required to send new notices, which comply with this rule, to affected property owners.

Adopted 10/01/99
Amended 7/10/01
Amended 4/26/10

RULE 4.19.1
UNIFORM NOTICE OF NEWLY DISCOVERED/NEWLY CONSTRUCTED PROPERTY

If the Assessor becomes aware of Newly Discovered or Newly Constructed property in a non-reappraisal year, and the resulting increase in market value of the parcel caused by the Newly Discovered or Newly Constructed property is $5000.00 or more, the parcel will be updated and a notice will be sent to the Taxpayer. Any Newly Discovered or Newly Constructed property, having a market value of less than $5000.00 when discovered, may be listed and updated during the year of discovery and will be listed and updated during the appraisal year.

Adopted 07/05/04

RULE 4.20
HOMESTEAD CREDIT APPLICATION/SALES VERIFICATION

There is hereby established a Homestead Credit Application/Sales Verification form. The form is to be used by property owners to apply for benefits under the provisions of Amendment 79 and to verify whether a property's purchase price reflects its market value at the time of sale. County assessors shall provide the purchaser of property with the form when a copy of a deed is transferred from the county recorder's office to the county assessor's office. As an alternative, the county assessor may provide the form to closing agents who may assist purchasers in completion of the form and who may return the form to the county recorder or assessor on behalf of the purchaser.

With prior approval by the ACD, the county may divide the form into separate parts, without changing the content, and distribute each part separately to property owners. Additional questions may be added to the form with prior approval by the ACD.

Adopted 3/03/02

RULE 4.21
AUTHORITY TO PROMULGATE RULES AND REGULATIONS FOR THE IMPLEMENTATION OF UNIFORM CAMA STANDARDS

STATUTORY AUTHORITY: ACT 1417 of 2005

By July 1, 2005 the Assessment Coordination Department shall adopt and implement by rules final specifications for computer assisted mass appraisal software.

The rules may provide a procedure by which the Assessment Coordination Department may directly compensate computer assisted mass appraisal software providers who are in compliance with requirements set forth in the final specifications for computer assisted mass appraisal software.

The Assessment Coordination Department shall require computer assisted mass appraisal software providers to comply with requirements set forth in the final specifications for computer assisted mass appraisal software.

Adopted and effective 07/01/05 by emergency procedure
Adopted 11/13/05

RULE 4.22
CAMA STANDARDS AND SYSTEM COMPLIANCE CERTIFICATION

The ACD will be responsible for providing uniform specifications (standards) for Computer Assisted Mass Appraisal (CAMA) software systems to be operated within the state of Arkansas. The ACD shall submit any proposed amendments to the CAMA Standards to all providers having certified CAMA systems operating within the state and allow a reasonable time for comment. The proposals shall then be considered by the CAMA Compliance and

Certification Advisory Board. If the proposals are approved by the board and the ACD director they shall be incorporated into the standards. Every CAMA system must be tested annually to determine if the system is in compliance with the standards. Systems that are in compliance will be certified by the director of the ACD. Systems that are not certified will not be allowed to be used by any county or appraisal contractor within any county of the state for the purpose of property reappraisal. Use of a non-approved system will result in a finding by the ACD of noncompliance and reimbursement will cease.

Adopted and effective 07/01/05 by emergency procedure
Adopted 11/13/05

RULE 4.23
CREATION AND PURPOSE OF THE ARKANSAS CAMA COMPLIANCE AND CERTIFICATION ADVISORY BOARD

There is hereby created The Arkansas CAMA Compliance and Certification Advisory Board whose purpose it shall be to advise and assist the director of the ACD in the testing, certification, and compliance of the various CAMA systems being used or proposed to be used in the state of Arkansas by Assessors and companies contracting with counties to assess the real property in those counties. The board may make recommendations to the director of any changes or additions to the Standards it deems appropriate.

Adopted and effective 07/01/05 by emergency procedure
Adopted 11/13/05

RULE 4.24
APPOINTMENT AND TERMS OF SERVICE OF MEMBERS OF THE CAMA COMPLIANCE AND CERTIFICATION ADVISORY BOARD

The Arkansas CAMA Compliance and Certification Advisory Board shall be made up of persons known to have knowledge, experience, and expertise in the field of mass appraisal of real property in general and the operation and use of CAMA systems in particular.

The membership shall be comprised of the following:

One member of the staff of each CAMA software vendor, to be nominated by the vendor and submitted to the director of the ACD for approval, to serve a two year term from the date of appointment.

One member of the staff of each reappraisal contractor, to be nominated by the contractor and submitted to the director of the ACD for approval, to serve a two year term from the date of appointment.

Two in-house CAMA system users who shall be selected by the director of the ACD from a nominating pool for a one year term. Any County that performs its own reappraisal duties may nominate qualified individuals to the pool.

Two members of the ACD staff who shall be appointed by the director of the ACD and serve at the discretion of the director.

Adopted and effective 07/01/05 by emergency procedure
Adopted 11/13/05
Amended 09/25/08

RULE 4.25
ORGANIZATION AND MEETINGS OF THE BOARD

The initial meeting of the board shall be held as soon as practicable following the appointment of its initial members. Thereafter, the board will meet annually on the second Tuesday in September at the offices of the ACD but may meet at any other time or place upon call of the director of the ACD. The director will designate a chairperson and a secretary and the ACD will provide administrative services for the use of the board. The chairperson and the secretary may be from outside of the appointed board and may be from ACD staff. If the chairperson and/or the secretary are not members of the appointed board they shall have no vote. The chairperson and the secretary shall make up the executive committee, which may make administrative decisions only and in the absence of the membership. Any such administrative decisions shall be subject to approval or rejection by the membership at its next meeting. If no action of the membership is taken at said next meeting the action shall not be later challenged.

Adopted and effective 07/01/05 by emergency procedure
Adopted 11/13/05

RULE 4.26
TESTING OF CAMA SYSTEMS

Beginning on or about the second Tuesday in September, in each year, at the offices of the ACD, the board will test all CAMA systems operating in the state and those proposed for operation within the state. The CAMA provider may request to be provided, in advance of the test, a list of issues to be tested. Upon good cause being shown, the board may request that a CAMA system be retested on a particular issue or issues. The board will vote on each exercise as to pass or fail and will advise the director of the decision and make recommendations as requested by the director. The test will be provided by the ACD. Each test will be conducted using actual data from a county or counties to be agreed upon in advance between the ACD and the CAMA provider. Prior to the administration of the test, the board will place each exercise into one of the following categories:

a. Level No. 1 - A minimum score of 100% is required for compliance;

b. Level No. 2 - A minimum score of 95% is required but the board may allow up to 30 additional days to comply;

c. Level No. 3 - A minimum score of 90% is required but the board may allow until the next annual test cycle to comply.

NOTE: When additional time is allowed, the compliance test will be conducted at a county location to be determined by the board at least a week in advance of the test.

Adopted and effective 07/01/05 by emergency procedure

Adopted 11/13/05

RULE 4.27
USE PROBLEMS

CAMA system users, who experience problems with their system which persist after notification to the provider for a reasonable time, may contact the ACD or the board in writing, providing an example of the problem. A record will be kept and the board may determine that the urgency of a problem is such that a change to the test regimen may need to be made immediately and all CAMA systems will be retested on those issues within a reasonable time after the CAMA provider is notified.

Adopted and effective 07/01/05 by emergency procedure
Adopted 11/13/05

RULE 4.28
PENALTIES IN THE EVENT OF NONCOMPLIANCE

In the event a CAMA system fails to achieve the score required on a particular exercise the Director will notify the system provider that the system will not be certified and cannot be used in the state by any county or contractor for reappraisal purposes until the system achieves the required score. In the case of an exercise classified as Level No.1, no additional time is allowed to comply and the notice will go out immediately. However, in the case of an exercise classified as Level No. 2 or Level No. 3, additional time may be allowed for compliance as provided in RULE 4.26. In such event, if the system fails to achieve the required score when retested, the notice as set out above, will then be given to the provider. In either case, the system may not be retested until the following year at the regular testing time.

Adopted and effective 07/01/05 by emergency procedure
Adopted 11/13/05

RULE 4.29
CHANGE IN MARKET VALUE BETWEEN REAPPRAISALS

1. When a county's equalization board determines that current economic conditions may have caused a decrease in value of groups of real estate parcels, said equalization board shall notify the Director of the Arkansas Assessment Coordination Department that they have made such determination, and that an investigation is pending.
2. The investigation shall proceed according to the following steps.
   a. A ratio study shall be completed by the equalization board or its contractor for each neighborhood (as defined by ACD rules) in the county.
      i. The preceding calendar year sales shall be used in the study. No sales for the current year may be used.
      ii. The sales validation process shall be completed for those sales used in the study.
   b. The equalization board may submit its standard full parcel extract, which includes current value and findings, to the ACD for review and evaluation.

c. At this point, the equalization board may choose to proceed, or not to proceed, with the documentation of a plan for determining which neighborhoods require adjustment.
    i. Using the ratio studies completed in step a. determine the range of ratios to be adjusted.
    ii. The equalization board shall document the types of evidence to be considered acceptable for adjustment of value. Some may be…
        1. Valid sales
        2. Long term listings
        3. The influence on market value of any foreclosure related sales
    iii. The equalization board shall document the level of evidence necessary for adjustment to be considered. Examples are…
        1. Number of sales/listings
        2. Average number of days on market
d. The equalization board shall document a plan for adjusting values in such neighborhoods.
    i. Determine the target ratio.
    ii. Determine what information will be used to develop revised values. Examples are…
        1. Valid sales
        2. Long term listings
        3. The influence on market value caused by any foreclosure related sales
    iii. Determine the amount of information necessary to develop a credible value.
        1. Number of sales/listings
        2. Average number of days on market
e. The equalization board shall document a plan for public relations related to revised values. Some actions to consider are:
    i. Conversations with affected taxing entities
    ii. Press releases
    iii. Talking to reporters at Equalization Board meetings
    iv. Notices/letters to property owners by a certain date
f. The equalization board shall document a plan for board adjustments to adjusted values during the appeals process.

3. Once a plan of action is developed, and prior to any actual value adjustments being made, the equalization board shall present the plan to ACD along with proposed values for each parcel.
    a. The equalization board shall include documentation regarding how they developed their plan and why the plan was chosen as the most appropriate.
    b. After discussion with the equalization board and/or its representatives, the ACD will approve or disapprove the plan as is or approve the plan contingent upon specific requirements being met.
4. All analysis and/or adjustments shall be done in accordance with standard ACD reappraisal rules and regulations, including oversight by a qualified appraisal manager.

Adopted by emergency procedure 06/12/09
Adopted by permanent procedure 04/26/10
Amended 12/07/12

CHAPTER FIVE

UNIFORM REPORTING

RULE 5.01
UNIFORM REPORTING OF ASSESSMENTS

STATUTORY AUTHORITY ACA 26-28-108
STATUTORY AUTHORITY ACA 26-28-304

On or before March 15th of each year the Preparer of the Tax Books for each county shall provide a copy of the Abstract of Assessments to the Assessment Coordination Department. Said copy of Abstract of Assessments shall be the same as reported to the Arkansas Department of Education on or before March 15th of each year and shall include the total assessment by school district that was delivered to the County Tax Collector (Tax Books) for tax collection purposes.

Adopted and implemented 6/16/06 by emergency procedure
Amended 12/20/06

RULE 5.02
UNIFORM REPORTING OF DELINQUENT TAXES

If not included in the above Abstract of Assessments as defined in Rule 5.01, the following items relating to real property assessments shall be added:

Previous year delinquent real estate assessments

If included in the above Abstract of Assessments as defined in Rule 5.01, the following items relating to real property assessments shall be **deleted:**

Delinquent assessment certified to the State of Arkansas Office of Commissioner of State Lands (two year delinquent).

Adopted and implemented 6/16/06 by emergency procedure
Amended 12/20/06
Amended 07/23/14

RULE 5.03
UNIFORM REPORTING OF COUNTY TAX SETTLEMENTS

Adopted and implemented 6/16/06 by emergency procedure
Amended 12/20/06
Repealed 07/23/14

RULE 5.04
RESPONSIBILITIES OF THOSE PROVIDING INFORMATION

The County Assessor, County Collector of Taxes, the County Clerk, the County Treasurer, and any other county official having possession of the information specified in Rules 5.01 and 5.02 shall turn such information over to the Preparer of the Tax Book at least 14 days prior to the deadlines specified in Rule 5.01. The county official providing the information shall be solely responsible for its accuracy. The Preparer of the Tax Book shall be responsible only for the accuracy of information generated solely by him or her and not that which was compiled from the information provided by others.

Adopted 12/20/06
Amended 07/23/14

APPENDIX

ASSESSMENT COORDINATION DEPARTMENT
VALUATION GUIDES AND FORMS

VALUATION GUIDES

ARKANSAS ASSESSORS' REAL ESTATE COST MANUAL
ACT 153 of 1955 as Amended

ARKANSAS COMMERCIAL PERSONAL PROPERTY MANUAL
ACT 153 of 1955 as Amended

ARKANSAS PERSONAL PROPERTY MANUAL
ACT 153 of 1955 as Amended

ARKANSAS AGRICULTURAL LAND, PASTURE LAND AND TIMBER LAND GUIDELINE PUBLICATION
Act 153 of 1955 as Amended

Adopted 10/01/99

FORMS

FOR USE BY ASSESSORS OR REAPPRAISAL FIRMS:

A-1. COMMERCIAL/INDUSTRIAL REAL ESTATE RECORD CARD

A-2. RESIDENTIAL REAL ESTATE RECORD CARD

A-3. RURBAN REAL ESTATE RECORD CARD

A-4. RURAL REAL ESTATE RECORD CARD

A-5. MANUFACTURERS' INVENTORY REPORT

A-6. COMMERCIAL PERSONAL PROPERTY ASSESSMENT FORM
COMMERCIAL PERSONAL PROPERTY ASSESSMENT INFORMATION

A-7a. ASSESSOR'S ABSTRACT (A.C.A. 26-26-304)

A-7b. ASSESSOR'S FINAL ABSTRACT (A.C.A. 26-28-303)

A-8. SUMMARY REPORT OF COUNTY ASSESSMENTS

A-9 IN-HOUSE COUNTYWIDE REAPPRAISAL PLAN

A-10 CONTRACTED COUNTYWIDE REAPPRAISAL PLAN

A-11. PLANNED PROGRESS REPORT

A-12. MONTHLY PROGRESS REPORT

A-13. PARCEL COUNT FORM A

A-14. PARCEL COUNT FORM B

A-15. NOTICE OF REAL ESTATE VALUE CHANGE

A-16. CERTIFICATION OF COUNTY AS TO COMPLETION OF COMPREHENSIVE COUNTYWIDE REAPPRAISAL

A-17 COMPLIANCE VERIFICATION FORM

A-18 HOMESTEAD CREDIT APPLICATION/SALES VERIFICATION

FOR USE BY COUNTY CLERK:

CC-1. SUMMARY REPORT OF COUNTY ASSESSMENTS FOR THE YEAR

CC-2. PERSONAL PROPERTY INTERIM MILLAGE ADJUSTMENT (A.C.A. 25-26-405)

CC-3. FRINGE DISTRICT ROLLBACK

CC-4. CERTIFICATION OF ASSESSED VALUE DATA (A.C.A. 26-26-403)

CC-5. SCHOOL DISTRICT CALCULATION TO DETERMINE MINIMUM MILLAGE REQUIRED BY AMENDMENT 74

FOR USE BY GOVERNING BODIES OF TAXING UNITS:

GB-1. COMPUTATION AND CERTIFICATION FORM. BASE YEAR MILLAGE ROLLBACK COMPUTATION AND CERTIFICATION FORM (A.C.A. 26-26-404)

FOR USE BY EQUALIZATION BOARD & COUNTY CLERK AS EX-OFFICIO SECRETARY OF THE COUNTY EQUALIZATION BOARD:

E-1. EQUALIZATION BOARD MEMBERS AND ADDRESSES

E-2. EQUALIZATION BOARD ABSTRACT OF ADJUSTED ASSESSMENT (A.C.A. 26-26-304, 26-27-319)

E-3. EQUALIZATION BOARD RESOLUTION

MISCELLANEOUS:

M-1. APPLICATION FOR ADMISSION - ARKANSAS ASSESSMENT TRAINING PROGRAM

M-2. TRAINING AND DESIGNATION PROGRAM

Adopted 10/01/99
Amended 12/20/00
Amended 12/20/06
Amended 07/23/14