ARKANSAS PROPERTY TAX

EQUALIZATION AND APPEAL SYSTEM

2009

A SYNOPSIS

Compiled for Equalization Board Members

by the

ASSESSMENT COORDINATION DEPARTMENT

STATE OF ARKANSAS

TABLE OF CONTENTS

Constitution 1

Amendment 59 2

Amendment 79 6

I. Calculating Property Taxes 9

II. Responsibilities of The:
- A. Individual Owner of Real and Personal Property 10
- B. County Assessor 10
- C. Tax Division of the Public Service Commission 10
- D. Assessment Coordination Department 11
- E. County Equalization Board 11
- F. County Clerk 11
- G. County Collector 12
- H. County Treasurer 12
- I. Circuit Clerk 12
- J. County Judge 12

III. Property Tax Time Line 13
- Ad Valorem Tax Calendar 20

IV. County Assessment Budgeting & Operations 21

V. Equalization & the Due Process Procedure 22

VI. Primary Assessment and Equalization Codes
- 26-3-201. Property subject to taxes generally 24
- 26-3-203. Mobile homes and manufactured homes 24
- 26-23-201. Title 24
- 26-23-202. Purpose 24
- 26-23-203. Notice procedures 25
- 26-23-204. Tax bill information 26
- 26-23-205. Taxpayer notice 27
- 26-24-101. Divisions created 27
- 26-26-301. Duties of officers 28
- 26-26-302. Assessment records to be kept current 28
- 26-26-303. Percentage of value to be used in appraisal 28
- 26-26-304. Ratio of assessed value to market value -- Effect on state aid or turn-back funds 29
- 26-26-306. Countywide reappraisal of property. 32
- 26-26-307. Completion of reappraisal - Suspension of penalties. 32
- 26-26-308. Rules and regulations 33
- 26-26-310. Certification of amount of property tax reduction 33
- 26-26-401. Applicability 35

26-26-402. Procedure for adjustment of taxes after reassessment of property 36
26-26-403. Certification of assessed value data 39
26-26-404. Computation and certification form 40
26-26-407. Valuation of different types of property 43
26-26-408. Implementation of millage rollback in fringe school districts....45
26-26-409. Rules and regulations 45
26-26-503. Appointment and training of personnel 46
26-26-1107. Change in or damage to property 46
26-26-1118. Limitation on increase of property's assessed value....47
26-26-1119. Prohibited conduct – Penalties – Time limitation 48
26-26-1122. Definitions 50
26-26-1123. Transfer of property [Effective January 1, 2006]. 51
26-26-1202. Valuation procedures 51
26-26-1901. Definitions 52
26-26-1902. Reappraisal....52
26-26-1903. Criteria for reappraisal 53
26-26-1904. Objectives 54
26-26-1905. Rules relating to reappraisal 54
26-26-1906. Computer assisted mass appraisal systems 56
26-26-1907. Arkansas Real Property Reappraisal Fund 56
26-26-1908. Applicability of relation to ad valorem tax 57
26-26-1909. Relation to previous requirements 57
26-26-1910. Scope 57
26-26-1911. Department authority 57
26-27-301. Creation 57
26-27-302. Qualifications 58
26-27-303. Composition....58
26-27-304. Selection of members 58
26-27-305. Terms of office -- Vacancies 59
26-27-306. Oath of members 60
26-27-307. Secretary of board 60
26-27-308. Compensation....61
26-27-309. Annual meeting 61
26-27-310. Working groups....62
26-27-311. Special sessions generally....62
26-27-312. Special session for purpose of planning work....63
26-27-313. Attendance by assessor 63
26-27-314. Authority to classify and zone property 64
26-27-315. Equalization of assessments 64
26-27-316. Rights of examination 65
26-27-317. Applications for adjustment....65
26-27-318. Appeals to courts 66
26-27-319. Resolution of valuation adopted....68
26-27-320. Assessed values entered on record....68
26-27-321. Abstract of tax books to be filed....68
26-28-108. Delivery of tax books to collector 68
26-35-501. Time to pay -- Installments....69
26-39-201. Time for payment....70

Addendum 1

Selected Acts Summaries of the 86th Arkansas General Assembly- 2009

Act 132
Act 151
Act 276
Act 277
Act 278
Act 287
Act 320
Act 347
Act 410
Act 531
Act 569
Act 599
Act 655
Act 721
Act 764
Act 965
Act 1186
Act 1189
Act 1397

Addendum 2

Selected Acts of the 86th Arkansas General Assembly- 2009

Act 276
Act 1189
Rule 4.29

Addendum 3

Assessment Coordination Department Operations

CONSTITUTION

Arkansas' constitution has several provisions concerning property taxes. It creates the office of county assessor; establishes which properties are taxable and which are not; limits tax rates that cities, counties, and libraries may levy; sets a minimum rate that school districts must levy; establishes property tax funded pensions for fire and police; and, prohibits the state from levying a property tax.

Constitutional Amendments 59 and 79 are reproduced following. Each is intended to limit growth in property taxes - Amendment 59 by limiting growth in revenues that cities, counties and schools receive, and Amendment 79 by limiting tax and assessment increases that individual property owners may receive. Amendment 79 further provides that a homeowner will receive up to a $350 tax credit for his/her principal place of residence and that a homeowner who is 65 years of age or older or who is disabled will not see an increase in the assessment of their principal place of residence unless they make substantial improvements.

Amendment 59 is found in Article 16, §§ 5, 6, 14, 15 & 16. Amendment 79 follows these.

Article 16, § 5. Property taxed according to value -- Procedures for valuation -- Tax exemptions.

(a) All real and tangible personal property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the General Assembly shall direct, making the same equal and uniform throughout the State. No one species of property for which a tax may be collected shall be taxed higher than another species of property of equal value, except as provided and authorized in Section 15 of this Article, and except as authorized in Section 14 of this Article. The General Assembly, upon the approval thereof by a vote of not less than three-fourths (3/4ths) of the members elected to each house, may establish the methods and procedures for valuation of property for taxation purposes, but may not alter the method of valuation set forth in Section 15 of this Article.

(b) The following property shall be exempt from taxation: public property used exclusively for public purposes; churches used as such; cemeteries used exclusively as such; school buildings and apparatus; libraries and grounds used exclusively for school purposes; and buildings and grounds and materials used exclusively for public charity.

Nothing in this Section shall affect or repeal the provision of Amendment 57 to the Constitution of the State of Arkansas pertaining to intangible personal property.

Article 16, § 6. Other tax exemptions forbidden.

All laws exempting property from taxation other than as provided in this Constitution shall be void.

Article 16, § 14. Procedure for adjustment of taxes after reappraisal or reassessment of property.

(a) Whenever a countywide reappraisal or reassessment of property subject to ad valorem taxes made in accordance with procedures established by the General Assembly shall result in an increase in the aggregate value of taxable real and personal property in any taxing unit in this State of ten percent (10%) or more over the previous year the rate of city or town, county, school district, and community college district taxes levied against the taxable real and personal property of each such taxing unit shall, upon completion of such reappraisal or reassessment, be adjusted or rolled back, by the governing body of the taxing unit, for the year for which levied as provided below. The General Assembly shall, by law, establish the procedures to be followed by a county in making a countywide reappraisal or reassessment of property which will, upon completion, authorize the adjustment or rollback of property tax rates or millage, as authorized herein above. The adjustment or rollback of tax rates or millage for the "base year" as hereinafter defined shall be designed to assure that each taxing unit will receive an amount of tax revenue from each tax source no greater than ten percent (10%) above the revenues received during the

previous year from each such tax source, adjusted for any lawful tax or millage rate increase or reduction imposed in the manner provided by law for the year for which the tax adjustment or rollback is to be made, and after making the following additional adjustments:

(i) By excluding from such calculation the assessed value of, and taxes derived from, tangible personal property assessed in the taxing unit, and all real and tangible personal property of public utilities and regulated carriers assessed in the taxing unit, and

(ii) By computing the adjusted or rollback millage rates on the basis of the reassessed taxable real property for the base year that will produce an amount of revenue no greater than ten percent (10%) above the revenues produced from the assessed value of real property in the taxing unit (after making the aforementioned adjustments for personal properties and properties of public utilities and regulated carriers noted above) from millage rates in effect in the taxing unit during the base year in which the millage adjustment or rollback is to be calculated. Provided, further, that in calculating the amount of adjusted or rollback millage necessary to produce tax revenues no greater than ten percent (10%) above the revenues received during the previous year, the governing body shall separate from the assessed value of taxable real property of the taxing unit, newly discovered real property and new construction and improvements to real property after making the adjustments for personal property or property of public utilities and regulated carriers noted above, and shall compute the millage necessary to produce an amount of revenues equal to, but no greater than the base year revenues of the taxing unit from each millage source. Such taxing unit may elect either to obtain an increase in revenues equal to the amount of revenues that the computed or adjusted rollback millage will produce from newly-discovered real property and new construction and improvements to real property, or if the same be less than ten percent (10%), the governing body of the taxing unit may re-compute the millage rate to be charged to produce an amount no greater than ten percent (10%) above the revenues collected for taxable real property during the base year.

Provided, however, that the amount of revenues to be derived from taxable personal property assessed in the taxing unit for the base year, other than personal property taxes to be paid by public utilities and regulated carriers in the manner provided herein above, shall be computed at the millage necessary to produce the same dollar amount of revenues derived during the current year in which the base year adjustment or rollback of millage is computed, and the millage necessary to produce the amount of revenues received from personal property taxes received by the taxing unit, for the base year shall be reduced annually as the assessed value of taxable personal property increases until the amount of revenues from personal property taxes, computed on the basis of the current year millage rates will produce an amount of revenues from taxable personal property equal to or greater than received during the base year and thereafter the millage rates for computing personal property taxes shall be the millage rates levied for the current year.

Provided, however, that the taxes to be paid by public utilities and regulated carriers in the respective taxing units of the several counties of this State during the first five (5)

calendar years in which taxes are levied on the taxable real and personal property as reassessed and equalized in each of the respective counties as a part of a statewide reappraisal program, shall be the greater of the following:

(1) The amount of taxes on property owned by such public utilities or regulated carriers in or assigned to such taxing unit, less adjustments for properties disposed of or reductions in the assessed valuation of such properties in the base year as defined below, or

(2) The amount of taxes due on the assessed valuation of taxable real and tangible personal property belonging to the public utilities or regulated carriers located in or assigned to the taxing unit in each county at millage rates levied for the current year.

As used herein, the term "base year" shall mean the year in which a county completes reassessment and equalization of taxable real and personal property as a part of a statewide reappraisal program, and extends the adjusted or rolled back millage rates for the first time, as provided in subsection (a) of this Section, for the respective taxing units in such county for collection in the following year.

(i) In the event the amount of taxes paid the taxing unit in a county in the base year, as defined herein, is greater than the taxes due to be paid to such taxing unit for the current year of any year of the second (2nd) period of five (5) years after the base year, the difference between the base year taxes and the current year taxes for any year of such five (5) year period shall be adjusted as follows:

Current year of second period of (5) years	Taxes shall be current year taxes to which shall be added the following percentage of the difference between the current year taxes and the base year taxes (if greater than current year taxes)
1st year	80% of difference
2nd year	60% of difference
3rd year	40% of difference
4th year	20% of difference
5th year and thereafter	Current years taxes only.

(ii) If the current year taxes of a public utility or regulated carrier equal or exceed the base years taxes due a taxing unit during any year of the first ten (10) years after the base year, the amount of taxes to be paid to such taxing unit shall thereafter be the current years taxes and the adjustment authorized herein shall no longer apply in computing taxes to be paid to such taxing unit.

Provided, that in the event the aforementioned requirement for payment of taxes by public utilities and regulated carriers, or any class of utilities or carriers for the ten (10) year period noted above, shall be held by court decision to be contrary to the

constitution or statutes of this State or of the Federal Government, the General Assembly may provide for other utilities or classes of carriers to receive the same treatment provided or required under the court order, if deemed necessary to promote equity between similar utilities or classes of carriers.

(b) The General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebtedness purposes, to assure that the adjusted or rolled back rate of tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.

Article 16, § 15. Assessment of residential property and agricultural, pasture, timber, residential and commercial land.

(a) Residential property used solely as the principal place of residence of the owner thereof shall be assessed in accordance with its value as a residence, so long as said property is used as the principal place of residence of the owner thereof, and shall not be assessed in accordance with some other method of valuation until said property ceases to be used for such residential purpose.

(b) Agricultural land, pasture land, timber land, residential and commercial land, excluding structures thereon, used primarily as such, shall be valued for taxation purposes under the provisions of Section 5 of this Article, upon the basis of its agricultural, pasture, timber, residential or commercial productivity or use, and when so valued such land shall be assessed at the same per centum of value and taxed at the same rate as other property subject to ad valorem taxes.

(c) The General Assembly shall enact laws providing for the administration and enforcement of this Section and for the imposition of penalties for violations of this Section, or statutes enacted pursuant thereto.

Article 16, § 16. Providing for exemption of value of residence of person 65 or over.

The General Assembly upon approval thereof by a vote of not less than three-fourths (3/4ths) of the members elected to each house, may provide that the valuation of real property actually occupied by its owner as a residence who is sixty-five (65) years of age, or older, may be exempt in such amount as may be determined by law, but no greater than the first Twenty Thousand Dollars ($20,000) in value thereof, as a homestead from ad valorem property taxes.

AMENDMENT 79

TO PROVIDE PROPERTY TAX RELIEF; TO LIMIT THE INCREASE IN THE ASSESSED VALUE OF A TAXPAYER'S REAL PROPERTY FOR PROPERTY TAX PURPOSES AS A RESULT OF A COUNTY-WIDE REAPPRAISAL; TO PROVIDE A STATE CREDIT OF AT LEAST THREE HUNDRED DOLLARS ($300) AGAINST AD VALOREM PROPERTY TAX ON A HOMESTEAD; CONCERNING ADJUSTMENT OF PROPERTY TAXES

SECTION 1. (a) After each county-wide reappraisal, as defined by law, and the resulting assessed value of property for ad valorem tax purposes and after each Tax Division appraisal and the resulting assessed value of utility and carrier real property for ad valorem tax purposes, the county assessor, or other official or officials designated by law, shall compare the assessed value of each parcel of real property reappraised or reassessed to the prior year's assessed value. If the assessed value of the parcel increased, then the assessed value of the parcel shall be adjusted pursuant to this section.

(b) (1) If the parcel is not a taxpayer's homestead used as the taxpayer's principal place of residence, then for the first assessment following reappraisal, any increase in the assessed value of the parcel shall be limited to not more than ten percent (10%) of the assessed value of the parcel for the previous year. In each year thereafter the assessed value shall increase by an additional ten percent (10%) of the assessed value of the parcel for the year prior to the first assessment that resulted from reappraisal but shall not exceed the assessed value determined by the reappraisal prior to adjustment under this subsection. For utility and carrier real property, any annual increase in the assessed value of the parcel shall be limited to not more than ten percent (10%) of the assessed value for the previous year.

(2) This subsection (b) does not apply to newly discovered real property, new construction, or to substantial improvements to real property.

(c) (1) Except as provided in subsection (d), if the parcel is a taxpayer's homestead used as the taxpayer's principal place of residence then for the first assessment following reappraisal, any increase in the assessed value of the parcel shall be limited to not more than five percent (5%) of the assessed value of the parcel for the previous year. In each year thereafter the assessed value shall increase by an additional five percent (5%) of the assessed value of the parcel for the year prior to the first assessment that resulted from reappraisal but shall not exceed the assessed value determined by the reappraisal prior to adjustment under this subsection.

(2) This subsection (c) does not apply to newly discovered real property, new construction, or to substantial improvements to real property.

(d) (1) (A) A homestead used as the taxpayer's principal place of residence purchased or constructed on or after January 1, 2001 by a disabled person or by a person sixty-five

(65) years of age or older shall be assessed thereafter based on the lower of the assessed value as of the date of purchase or construction or a later assessed value.

(B) When a person becomes disabled or reaches sixty-five (65) years of age on or after January 1, 2001, that person's homestead used as the taxpayer's principal place of residence shall thereafter be assessed based on the lower of the assessed value on the person's sixty-fifth birthday, on the date the person becomes disabled or a later assessed value.

(C) If a person is disabled or is at least sixty-five (65) years of age and owns a homestead used as the taxpayer's principal place of residence on January 1, 2001, the homestead shall be assessed based on the lower of the assessed value on January 1, 2001 or a later assessed value.

(2) Residing in a nursing home shall not disqualify a person from the benefits of this subsection (d).

(3) In instances of joint ownership, if one of the owners qualifies under this subsection (d), all owners shall receive the benefits of this amendment.

(4) This subsection (d) does not apply to substantial improvements to real property.

(5) For real property that is subject to Section 2 of this Amendment, in lieu of January 1, 2001, the applicable date for this subsection (d) shall be January 1 of the year following the completion of the adjustments to assessed value required by Section 2.

SECTION 2. (a)(1) Section 1 of this Amendment shall not be applicable to a county in which there has been no county-wide reappraisal, as defined by law, and resulting assessed value of property between January 1, 1986 and December 31, 2000. Real property in such a county shall be adjusted according to the provisions of this section.

(2) Upon the completion of the adjustments to assessed value required by this section each taxpayer of that county shall be entitled to apply the provision of Section 1 of this Amendment to the real property owned by them.

(b) The county assessor, or other official or officials designated by law, shall compare the assessed value of each parcel of real property to the prior year's assessed value. If assessed value of the parcel increased, then the assessed value of the parcel for the first assessment resulting from reappraisal shall be adjusted by adding one-third (1/3) of the increase to the assessed value of the parcel for the previous year. An additional one-third (1/3) of the increase shall be added in each of the next two (2) years. This adjustment procedure shall not apply to public utility and carrier property. Public utility and carrier property shall be adjusted pursuant to Section 1.

(c) No adjustment shall be made for newly discovered real property, new construction, or to substantial improvements to real property.

SECTION 3. The General Assembly shall provide by law for an annual state credit against ad valorem property tax on a homestead in an amount of not less than three hundred dollars ($300). The credit shall not exceed the amount of ad valorem property taxes owed. The credit shall apply beginning for taxes due in calendar year 2001. This section shall be applied in a manner that would not impair a bond holder's interest in ad valorem debt service revenues.

SECTION 4. (a) The General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebtedness purposes, to assure that the tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.

(b) The millage rate levied against taxable personal property and utility and regulated carrier property in each taxing unit in the state shall be equal to the millage rate levied against real property in each taxing unit in the state. Personal property millage rates currently not equal to real estate millage rates shall be reduced to the level of the real estate millage rate; except to the extent necessary to provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.

(c) The provisions of this section shall not affect or repeal the required uniform rate of ad valorem property tax set forth in Amendment 74.

(d) The General Assembly may, by law, prescribe the method and means for reassessing real property and establish the frequency of reassessment. However, reassessment shall occur at least once every five (5) years.

(e) Rollback adjustments under Article 16, Section 14 shall be determined after the adjustments are made to assessed value under this Amendment.

SECTION 5. This amendment shall be effective on January 1, 2001.

I. CALCULATING PROPERTY TAXES

Property taxes are based upon the value of property and the rate of taxation levied where the property is located. A property's value is determined by the local market place and estimated by the assessor's office or by a contractor employed by the assessor's office. Tax rates, referred to as the millage rates, with three exceptions are established by a vote of the people. The exceptions, which must be approved by a majority of the members of the governing bodies, are the county general fund rate, the county road tax rate, and the city general fund rate.

There are a myriad of millage rates that can be levied in Arkansas. Including those mentioned above, millage rates are levied for school district maintenance and operations, school district construction, community colleges, city and county libraries, police and fire pension funds, and county hospitals.

The formula for calculating the amount of property taxes due is the assessed value of the property multiplied by the total millage rate levied in the property's location. The assessed value of a property is determined by dividing its market value (use value for agricultural, pasture and timber lands) by 5. One mill is 1/10th of a penny. All properties pay school taxes, which at a minimum must be 25 mills. Most will pay county general and road taxes, and if in a city a city general tax. Sample calculation where a property's value is $100,000; its school district millage rate is 30 (.030), its county road rate is 3 (.003), its county general is 5 (.005), and city general is 5 (.005).

Market Value	$100,000/5 =
Assessed Value	20,000
Total Millage Rate	X .043
Property Tax Due	$ 860

All property in Arkansas is assessed at the same level (20%), so the above example would work for commercial as well as individual personal property and commercial as well as residential property. Owner occupied residential property used as a principal place of residence receives up to $350 tax credit, so if the above example represents someone's principal place of residence, the total tax bill would be $510.

II. RESPONSIBILITIES

A. Responsibilities Of The Individual Owner Of Real And Personal Property

Between the first Monday in January and the 31st day of May of each year, the individual taxpayer has the legal responsibility of reporting to the assessor all personal property in his possession as of January 1 or acquired between January 1 and May 31. A ten percent (10%) late assessment penalty will be charged on personal property assessed after May 31 if it was acquired before that date, (unless it was acquired within the thirty days prior to May 31, then the owner has thirty days from the date of acquisition to assess it without penalty).

Homesteads used as a principal place of residence must be reported to the assessors' offices in order for the tax credit to be granted ($350 for 2008). Homeowners may report anytime before October 10 and receive their credit. Property owners must also report when their homestead is no longer eligible for the tax credit.

B. Responsibilities Of The County Assessor

It is the duty of the assessor to appraise and assess all real and personal property between the first Monday in January and July 31. By July 1 counties conducting revaluations shall submit to the Assessment Coordination Department an electronic file of all real property appraised on a market value standard. The assessor must also, by the first of August, give to the ACD his/her assessments on selected property samples chosen by the Assessment Coordination Department. All property in this State shall be assessed according to its value on the first of January, except business inventory, which is assessed at its average value during the year immediately proceeding the first of January.

By August 1, the assessor must make an "Abstract of Assessments" showing the total assessed value of the county. On August 1, the assessor turns over the Real Property Assessment Book and Personal Property Assessment Book to the equalization board. After August 1, the assessor has only limited authority to make changes in any of the assessment books.

C. Responsibilities Of The Tax Division Of The Public Service Commission

The Tax Division of the Public Service Commission assesses all real and personal property used and/or held for use in the operation of public carriers, pipelines, inter-county motor freight companies, airlines, ferries, toll bridges, toll roads, water transportation companies, and all utilities including telegraph, telephone, electric, gas, and water.

All companies in the above categories are required to report all of their property to the Tax Division by March 1 each year. The Tax Division compiles this information, makes the appropriate assessments, and forwards them to the various Assessors by July 15.

D. Responsibilities Of The Assessment Coordination Department

The Assessment Coordination Department performs an ongoing procedural audit of real property appraisals and an annual ratio study of personal property assessments. The culmination of the real property procedural audit is a sales ratio study in the valuation year (counties reappraise real property every three or five years).

State funds are used to partially pay the cost of real property reappraisal (up to $7.00 per parcel per year) and the ACD is responsible for distributing the funds and overseeing the use of the funds. The ACD may at any time, for cause, suspend payments to counties, and under extreme circumstances take over a reappraisal project.

When a county fails its ratio study, real or personal, the ACD will direct and supervise a detailed analysis of failure and determine appropriate corrective actions to be taken. Should a county refuse to follow the ACD directive, state turn back funds can be withheld from the affected county government. If the refusal continues for a period of one year, the turn back funds will be permanently lost.

In addition to the above the ACD is responsible for educating assessors and others working in Arkansas, and acts as a tax policy advisor for the Governor and Legislature.

E. Responsibilities Of The County Equalization Board

County equalization boards have two responsibilities: (1) to review and equalize overall county assessments as assessed by the assessor; and (2) to hear assessment appeals by property owners.

On August 1, the county assessor turns over his or her completed assessment records to the county clerk, who serves as the secretary for the equalization board. These records remain with the equalization board and only they have the authority to direct changes during their session. (However, errors and omissions may be corrected through the county court during this time.)

The equalization board will meet as often as necessary beginning on August 1 running through October 1. If the county's ratio of assessed to market value is out of compliance, the equalization board may continue meeting after October 1, but no later than the third Monday in November. Additionally, the equalization board may enter into special planning session at its own motion any time during the year.

F. Responsibilities Of The County Clerk

The county clerk, or clerk's appointee, serves as the secretary for the equalization board. The clerk must file an Equalization Board Abstract with the ACD no later than thirty (30) days after the equalization board has adjourned. When all actions have been completed by the assessor, the equalization board, and the county court, the assessment books are forwarded to the county clerk. By December 31, the county clerk must also prepare the assessment books for the upcoming year and forward them to the assessor.

The clerk extends the taxes by applying the applicable millage rates to the assessments and forwards this information to the county collector. The extension of taxes must be completed by the first business day in March.

G. Responsibilities Of The County Collector

Collectors are required to send each property owner a bill by July 1. Property taxes are due and payable between the first business day in March and October 10 in the second year of the "Ad Valorem Tax Cycle". Taxes become delinquent after October 10, and are subject to a 10% penalty and the cost of collection.

The collector transfers moneys collected each month to the county treasurer. The deadline for the transfer is the first of the month, or within five days of the first of the month.

Collectors are also responsible for reporting to the Department of Finance and Administration the total amount of the homestead tax credits claimed in his or her county. The initial reporting deadline is March 31. The reports may be amended on the following June 15 and following November 15.

H. Responsibilities Of The County Treasurer

County treasurers distribute the tax moneys collected to the various taxing units and county funds. The collector turns over the money from the unapportioned fund to the treasurer, who then distributes 90% to the taxing units and funds. The proper adjustments will be made upon final settlement to the various accounts, and once approved by the county court, the remaining 10% of the unapportioned funds will be distributed to the taxing units.

I. Responsibilities Of The Circuit Clerk

Among other duties, the circuit clerk serves as the county recorder of deeds and other official documents. The circuit clerk must transmit copies of deeds filed each week to the county assessor.

J. Responsibilities Of The County Judge

The county judge is the chief executive in county government and the ultimate authority in revenue matters. He or she also sits as the county court for hearing appeals from county equalization board decision.

III. PROPERTY TAX TIME LINE

The property tax time line spans two years. The first year is used to determine the assessed values of property and levy millage rates. The second year is when the taxes will be collected and distributed to the cities, counties and school districts.

During the assessment year county assessors, clerks, equalization boards and judges are the people working to determining the assessed value. School boards and patrons, city councils and the county quorum courts set millage rates. The quorum court formally levies millage rates for cities, schools and county governments.

During the collection year county clerks, collectors, and treasurers are the people working to collect and distribute the taxes to the cities, counties, and school districts.

Property taxes are collected each year, so it is readily obvious that each assessment year is also a collection year - the collection year for the previous assessment year.

Following is a snapshot of one year and deadlines and duties that are being performed each month.

RECURRING

Some tasks are repeated monthly. The county collector could be collecting delinquent taxes anytime during the year (A.C.A. § 26-36-209). The county treasurer will be making monthly distribution of tax proceeds to the taxing units (A.C.A. § 26-39-201). Also, the county treasurer will be receiving monthly reimbursements for the homestead property tax credit (Act 1544, 2001). These tasks are not shown in the monthly breakdowns.

JANUARY

Lien date.
Property taxes constitute a lien on property and bind that property from the first Monday in January of the assessment year until the taxes are paid in the collection year. (A.C.A. § 26-34-101)

Valuation date.
All property is assessed according to its value on January 1 of the assessment year. (A.C.A. § 26-26-1201)

Property Owner.
Lists personal property with assessor through May 31. (A.C.A. § 26-26-1408)
Registers homestead with assessor through October 10. (A.C.A. § 26-26-1118)

Assessor

Values real property through July 1. (A.C.A. § 26-26-1101)

Values personal property. Deadline - July 31. (A.C.A. § 26-26-1408)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

Reports real estate sales to the ACD. (A. C.A. § 26-26-304)

County Clerk or Preparer of the Tax Books

Extends previous year taxes - prepares tax book to turn over to the collector on or before third Monday in February. (A.C.A. § 26-28-103; A.C.A. § 26-28-108)

FEBRUARY

Property Owner.

Lists personal property with assessor through May 31. (A.C.A. § 26-26-1408)

Registers homestead with assessor through October 10. (A.C.A.§ 26-26-1118)

Assessor

Values real property through July 1. (A.C.A. § 26-26-1101)

Values personal property. Deadline - July 31. (A.C.A. § 26-26-1408)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

County Clerk

Delivers tax book to the collector by February 1. (A.C.A. § 26-28-108)

MARCH

Property Owner.

Lists personal property with assessor through May 31. (A.C.A. § 26-26-1408)

Registers homestead with assessor through October 10 (A.C.A.§ 26-26-1118)

Pays previous year taxes. (A.C.A. § 26-35-501)

Utilities & Carriers

Lists property with the Tax Division of the PSC by March 1. (A.C.A. § 26-26-1602)

Assessor

Values real property through July 1. (A.C.A. § 26-26-1101)

Values personal property. Deadline - July 31. (A.C.A. § 26-26-1408)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

County Collector

Previous year tax books open for collection on the first business day. Taxes become due & payable. (A.C.A. § 26-36-201)

Mails tax bills by July 1 deadline. (A.C.A. § 26-35-705)

First homestead tax credit report to DFA by the March 31. (A.C.A.§ 26-26-310)

APRIL

Property Owner

Lists personal property with assessor through May 31. (A.C.A. § 26-26-1408)

Registers homestead with assessor through October 10. (A.C.A.§ 26-26-1118)

Pays previous year taxes. (A.C.A. § 26-35-501)

Assessor

Values real property through July 1. (A.C.A. § 26-26-1101)

Values personal property. Deadline - July 31. (A.C.A. § 26-26-1408)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

Collector

Mails tax bills by July 1 deadline. (A.C.A. § 26-35-705)

MAY

Property Owner

Lists personal property with assessor. Deadline - May 31 without late assessment penalty (A.C.A. § 26-26-1408)

Registers homestead with assessor through October 10. (A.C.A.§ 26-26-1118)

Pays previous year taxes. (A.C.A. § 26-35-501)

Assessor

Values real property through July 1. (A.C.A. § 26-26-1101)

Values personal property. Deadline - July 31. (A.C.A. § 26-26-1408)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

Collector

Mails tax bills by July 1 deadline. (A.C.A. § 26-35-705)

JUNE

Property Owner

Registers homestead with assessor through October 10. (A.C.A.§ 26-26-1118)

Pays previous year taxes. (A.C.A. § 26-35-501)

Assessor

Values real property through July 1. (A.C.A. § 26-26-1101)

Values personal property. Deadline - July 31. (A.C.A. § 26-26-1408)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

Collector

Mails tax bills by July 1 deadline. (A.C.A. § 26-35-705)

Second homestead tax credit report to DFA by June 30. (A.C.A. § 26-26-310)

JULY

Property Owner

Registers homestead with assessor through October 10. (A.C.A.§ 26-26-1118)

Pays previous year taxes. (A.C.A. § 26-35-501)

Tax Division PSC

Report assessment to counties by July 15. (A.C.A. § 26-26-1612)

Assessor

Values real property through July 1. (A.C.A. § 26-26-1101)

Values personal property. Deadline - July 31. (A.C.A. § 26-26-1408)

Notify property owners of value increases no later than 10 business days after July 1. (A.C.A. § 26-23-203).

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

County Collector

Mails tax bills by July 1. (A.C.A. § 26-35-705)

AUGUST

Property Owner

Registers homestead with assessor through October 10. (A.C.A.§ 26-26-1118)

Pays previous year taxes. (A.C.A. § 26-35-501)

Petitions for equalization board hearing by the 3rd Monday. (A.C.A § 26-27-317)

Assessor

Attends equalization board hearings. (A.C.A. § 26-27-313)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

Reports total assessment to Assessment Coordination Department on August 1. (A.C.A. § 26-26-304)

County Clerk

Assumes control of the assessment roll on August 1. The assessor must file the assessment reports with clerk by the 3rd Monday. (A.C.A. § 26-26-716)

Clerk or designee acts as Equalization board secretary. (A.C.A. § 26-27-307)

Equalization Board

Review overall assessment equalization. (A.C.A. § 26-27-315)

Hear property owner appeals. (A.C.A. § 26-27-317)

SEPTEMBER

Property Owner

Registers homestead with assessor through October 10. (A.C.A.§ 26-26-1118)

Pays previous year taxes. (A.C.A. § 26-35-501)

Assessor

Attends equalization board hearings. (A.C.A. § 26-27-313)

Reports homestead registrants to collector through October 10. (A.C.A. § 26-26-1118)

County Clerk

Clerk or designee acts as Equalization board secretary. (A.C.A. § 26-27-307)

Equalization Board

Review overall assessment equalization. (A.C.A. § 26-27-315)

Hear property owner appeals. (A.C.A. § 26-27-317)

School Districts

Elections on the 3rd Tuesday. (A.C.A. §6-14-102)

OCTOBER

Property Owner

Registers homestead with assessor. Deadline is October 10. (A.C.A.§ 26-26-1118)

Pays previous year taxes. Deadline is October 10. (A.C.A. § 26-35-501)

Petitions for county court hearing on or before the 2nd Monday. (A.C.A. § 26-27-318)

Assessor

Attends equalization board hearings. (A.C.A. § 26-27-313)

Reports homestead registrants to collector. (A.C.A.§ 26-26-1118)

County Clerk

Clerk or designee acts as Equalization board secretary. (A.C.A. § 26-27-307)

Equalization Board

Adjourn regular session on the October 1. (A.C.A. § 26-27-309)

Call Special Session if necessary to:

- Review overall assessment equalization. (A.C.A. § 26-27-315)
- Hear property owner appeals. A.C.A. § 26-27-317)

NOVEMBER

Assessor

Files reappraisal plan with the Assessment Coordination Department by November 1 of the year before a new reappraisal cycle begins. (A.C.A. § 26-26-1905)

County Clerk
Clerk or designee acts as Equalization board secretary during special session. (A.C.A. § 26-27-307)

County Clerk or Preparer of Tax Books
Begins extending taxes after the quorum court levy - prepares tax book. (A.C.A. § 26-28-103)

Equalization Board
Special session may extend until the 3rd Monday in November. (A.C.A. § 26-27-311)

County Judge
Sits as county court to hear appeals from equalization board decisions. (A.C.A. § 26-27-318)

City Council
Sets general millage rate before the quorum court levies. (Article 12, § 4 Arkansas Constitution & A.C.A. § 26-73-202)

Quorum Court
Levies millage rates for all taxing entities in its November meeting. (A.C.A. §14-14-904)

County Collector
Third homestead tax credit report to DFA by November 15. (A.C.A.§ 26-26-310)

DECEMBER

County Clerk or Preparer of Tax Books
Continues extending taxes and preparing tax book. (A.C.A. § 26-28-103)

County Collector
Delivers delinquent personal and real lists to legal newspaper for publication. (A.C.A. § 26-36-203 & § 26-37-107)
Final settlement made and filed with county court by the fourth Monday. (A.C.A. § 26-39-402)

County Court
Approves rejects or restates Final Settlement on or before December 31. (A.C.A. § 26-39-402)

Ad Valorem Tax Calendar

Action By	Action Taken	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Deadline/Date
ASSESSMENT FUNCTION														
Property Owner	Assess Personal Property	═	═	═	═	═								May 31 w/o penalty
	Register Homestead w/ Assessor	═	═	═	═	═	═	═	═	═	═			October 10 deadline
	Petition For EB Hearing							═	═					By 3rd Monday in Aug.
	Petition County Court Hearing									═	═			By 2nd Mon in October
Utilities/Carriers	Report Property to Tax Division	═	═											By March 1
Tax Division	Report Assmts to Counties			═	═	═══	═══	═						By July 15
	Report Assmts to Revenue			═	═	═	═	═						By July 15
Assessor	Appraise Real Property	═	═	═	═	═	═							Jan. 1 thru July 1
	Appraise Personal Property	═	═	═	═	═	═	═						Jan. 1 thru July 31
	Send Value Change Notices					═	═	═						10 B. Days after July 1
	Report Homesteads to Collector	═══	═	═══	═	═	═	═	═	═	═			As owners return
	Report Total Assmts to ACD							═						By August 1
	Report Sales to ACD		═											By January 31
County Clerk	Controls Assessment Roll								═	═	═	═	═	From August 1 forward
	Equalization Board Secretary								═	═	═	═		Aug 1 - 3rd Mon. Nov.
	Report Total Assmts to ACD										═	═		At conclusion of EB
Due Process	Appeal to Equalization Brd.								═══	═	═	═		Aug 1 - 3rd Mon. Nov.
	Appeal to County Court										═	═		October & November
	Appeal to Circuit Court													By Court Rule
LEVY FUNCTION														
School Districts	School Elections									═				3rd Tues. in September
City Councils	Levies Millage										═			October Meeting
Quorum Court	Levies Millage											═		November Meeting
COLLECTION & DISTRIBUTION FUNCTION														
County Clerk or Designated Preparer	Extend Taxes											═	═	Begin After Levy Date
	Tax Book to Collector	═												February 1st
County Collector	Collect Taxes			═	═	═	═	═	═	═	═			1st B. Day Mar - Oct 10
	Collect Delinquent Taxes											═	═	After October 10
	Publish Delinquent List											═	═	By December 1
	Mail Tax Bills			═	═	═	═							By July 1
	Tax Credit Report to DFA				═			═				═		Mar 31/June 30/Nov. 15
	Monthly Settlement		═		═		═		═		═		═	End of Month
	Final Settlement												═	By December 31
County Treasurer	Tax Credit Return From State	═	═	═	═	═	═	═	═	═	═	═	═	Monthly
	Monthly Tax Distribution	═	═	═	═	═	═	═	═	═	═	═	═	Within 5 days of 1st

IV. COUNTY ASSESSMENT BUDGETING & OPERATIONS

County assessors' offices are responsible for discovering, valuing and listing property for tax purposes. Each of these responsibilities is challenging. Discovering newly constructed buildings can be very difficult and expensive in some counties. Valuing property is a profession that is regulated by state law and ACD Rules and the process is expected to follow generally accepted mass appraisal standards developed over many years. Listing property is building a record about a property - its physical makeup, its ownership, its taxable status, and all the changes that may occur to any of these.

County assessors' budgets are funded by all taxing units in a county. Each taxing unit contributes a share equal to its percentage of total property taxes collected in a county. For instance, if a taxing unit receives 50% of all property taxes in a county, it funds 50% of the assessor's budget.

The quorum court, functioning as the county legislative body, appropriates funds to operate the assessor's office and the other county offices. Though it is often a desire of a quorum court to achieve balanced staffing among the county offices, two overriding facts about the assessor's office should be kept in mind: (1) the cost of operating the assessor's office is shared by all taxing units in a county and the state, with a relatively small amount coming directly from the county general fund; and (2) sufficient funding of the assessor's office will directly enhance the available funding for other county offices and functions.

The state funds real estate reappraisals up to $7/parcel/county/year. A total of $14,250,000 per year is appropriated for the next biennium for the costs of reappraisal statewide. State funds for reappraisals, because they are treated as reimbursements to counties, will still need to be appropriated by quorum courts. If a quorum court fails to appropriate these funds, the Assessment Coordination Department, on behalf of all taxing units in the county, will enter into a reappraisal contract with an appraisal firm and execute the reappraisal of property in the county.

It is worth noting that most assessors in Arkansas are not real estate appraisers. Assessors delegate appraisal tasks to those who have gone through the training and gained the experience required to estimate property values. The same can also be said of business personal appraisers. As a result, the county assessors have in many instances entered into contracts with appraisal companies.

Using county employees or contractors as appraisers is a choice for the county to make, but each should be aware that either approach has its pluses and minuses. County employees should be more closely attuned to the local market place, are directly accountable to local officials, and will be available to the public year round. Contract appraisers tend to be more efficient, are lower cost, but are not always easily accessible to the public.

V. EQUALIZATION & THE DUE PROCESS PROCEDURE

The county equalization board acquires the authority to assess property on August 1 each year. Though the assessor loses authority to assess on August 1, he or she is empowered to make an omitted assessment list and cause such to be placed on the assessment book by the county clerk at any time before collections start in March.

The equalization board meets in regular session during August and September. (NOTE: If there are no appeals or other necessary work, the equalization board should not meet every day.) During this session, the board should review the assessor's assessments and the September 15 ratio study compiled by the Assessment Coordination Department. During the review, assessment inequities should be isolated and the appropriate corrections made by the equalization board.

Under the requirements of the Federal and State Constitutions, property owners have the right to due process proceedings before an assessment is considered final. The initial step in due process is an appeal to the equalization board. By law informal appeals to appraisers precede the equalization board appeal and though property owners are not required to take this step before going to the equalization, they are encouraged to. In many if not most instances the informal appeal clears up questions property owners have and they do not meet with the equalization board. Otherwise, any property owner may, by petition or letter, apply to the equalization board for the adjustment of the assessment of his or another person's property, providing all applications for adjustments are made before the third Monday in August.

The burden of proof that the property owner has been wrongfully assessed lies with the property owner and not with the assessor. Unless proven inaccurate the assessment made by the assessor stands.

Property tax equity is achieved when property is valued on an equal basis. In states, including Arkansas, where “ad valorem” property tax systems are the law, equity is determined by property “Market Value”. There are several ways to think of value but the only way where properties are judged on an equal footing is market value, where the economic forces of supply and demand for property are the chief inputs and undue or extraneous considerations are not influential. Note: There are two exceptions to the market value standard in Arkansas, both of which are found Article 16, Section 15 of the constitution and both of which are exceptions to the highest and best use principle underlying market value of property. In short, the highest and best use of property is the use generating the highest net return to the property and not necessarily its current use. The first exception that residential property, used as such, is to be valued as a residence regardless of any other use it is capable of being adapted to. The classic example where this exception applies is a residential property located in a commercial property neighborhood or area. The highest and best use of the residential land could be a commercial use, however we are to assess it based upon a residential use. The second

market value exception applies to all land but is focused on agricultural, pasture and timber lands. These lands are to be assessed based upon a combination of their current uses and productivity or ability of the soil to grow crops, pasture or timber.

The Arkansas Supreme Court, in its rulings, has provided guidelines to determine whether a property's value should be reduced by the Equalization Board. These are:

1. **The assessment is unfair compared with other properties of the same kind which are similarly situated**
2. **The assessment is clearly erroneous.**
3. **The assessment is manifestly excessive**.

Act 1567 of 2001 amplified these standards and requires that equalization boards only use them to determine the correctness or incorrectness of an assessment. Act 1567 went further and requires that equalization boards document the reason(s) for changing assessed values and review the assessment of similar properties should they change the value of one.

If the board fails to take action on an appeal before adjourning its regular session or fails to enter into special session to hear a legitimately established appeal, the property owner is entitled to have the board reduce all increases in assessments over the previous year.

The assessor or any property owner who disagrees with the action of the equalization board may appeal such action to the county court by filing a petition of appeal with the county clerk. The appeal must be filed on or before the second Monday in October. Appeals from the decisions of the county court are to circuit court and, ultimately, to the Arkansas Supreme Court.

Property owner appeals, in general, go no further than the equalization board. From time to time, however, property owners or the county assessor will appeal to higher judicial bodies - the county courts, circuit courts, and the Arkansas Supreme Court. The county judge sits as the county court for property assessment appeals. The property owner or assessor must file a notice of appeal before the second Monday in October in order for the appeal to be heard. Subsequent appeals, to the circuit or supreme courts, are made following the rules of those courts.

VII. PRIMARY ASSESSMENT AND EQUALIZATION CODES

The following sections have been reproduced from the Arkansas Code Annotated of 1987, Vol. 26:

26-3-201. Property subject to taxes generally.

All property, whether real or personal, in this state; all moneys, credits, investments in bonds, stocks, joint-stock companies, or otherwise, of persons residing therein; the property of corporations; and the property of all banks or banking companies and of all bankers and brokers shall be subject to taxation. Such property, moneys, credits, investments in bonds, stocks, joint-stock companies, or otherwise, or the value thereof, shall be entered on the list of taxable property for that purpose.

26-3-203. Mobile homes and manufactured homes.

(a) Mobile homes and manufactured homes shall be deemed real property for the purpose of ad valorem property taxation.

(b) Real property taxes and any interest, penalties, or other charges on a mobile home on a leased site in a mobile home park or any other leased site, and any assessment or user fee chargeable to the owner of the mobile home and constituting a lien, shall be assessed and levied against the owner of the mobile home whose name appears on the certificate or other acceptable evidence of ownership, and shall be a lien on the mobile home or manufactured home only.

(c) When the property tax on mobile homes and manufactured homes which are now assessed as real property become delinquent, the delinquent real property tax shall be attached to the personal property tax of the owner of the mobile home or manufactured home and the collector shall not accept payment of the personal property taxes without collecting payment of the delinquent real property taxes at that time.

26-23-201. Title.

This act shall be referred to as the "Arkansas Property Taxpayer Bill of Rights".

26-23-202. Purpose.

(a) It is the intent of this act that the following objectives shall apply to the operation of the property tax system for Arkansas taxpayers:

(1) To be taxed fairly and assessed equitably throughout the state;

(2) To have access to information concerning how the system of property taxation works and how their tax dollars are spent;

(3) To participate in the determination of tax rates or millage rates levied in local taxing units;

(4) To receive fair and courteous treatment throughout the property tax system;

(5) To review the reassessments and methodology used in determining the value of their properties and that of comparable properties;

(6) To receive a prompt response by government officials to inquiries regarding the value of their properties;

(7) To require government officials or others responsible for the valuation of property to review and correct any measurement error to the nearest foot, clerical error, or other technical error which occurred in the valuation of their properties;

(8) To be sent a notice setting forth the following:

(A) The amount of any change in the value of their properties;

(B) The right of the taxpayer to appeal such a change; and

(C) The procedures which must be followed on appeal, including the name, title, address, and telephone number of the secretary of the equalization board to whom the appeal and any supporting documentation should be directed, the deadline for requesting a hearing, and the proof required for adjustment of value;

(9) To complete all steps in the appeal process before paying any disputed taxes;

(10) To receive written notification of the outcome of any appeal; and

(11) To recover any overpayment of taxes resulting from erroneous assessments within three (3) years after payment.

(b) The rights enumerated in subsection (a) of this section shall be prominently displayed in each assessor's and collector's office in Arkansas.

(c) (1) The provisions of subsections (a) and (b) of this section are goals and objectives only and no person or entity shall have a civil cause of action for any alleged breach or violation of any of these goals and objectives.

(2) However, subdivision (c) (1) of this section shall not be interpreted or construed to limit the rights of any taxpayer under any other law of this state.

26-23-203. Notice procedures.

The following procedures shall be employed to ensure taxpayers receive adequate notice of value changes:

(1) (A) County-wide reappraisals of real property shall be completed no later than July 1 of the year in which the county-wide reappraisal is scheduled to be completed.

(B) Original valuations of newly discovered and newly constructed real and personal property shall be completed no later than July 1 of each assessment year;

(2) (A) Notice of value changes shall be sent to affected property owners no later than ten (10) business days after July 1 of the assessment year.

(B) The notice of value changes shall include:

(i) The previous year's full and assessed value, the reassessed full and assessed value, or the new full and assessed value resulting from an original assessment of newly discovered and newly constructed property;

(ii) The time period for meeting with the assessor or his or her representative to review the new valuation of the taxpayer's property;

(iii) A statement that property owners have the right to appeal the new valuation to the county equalization board;

(iv) The deadline to petition the equalization board to conduct a hearing to review the contested assessment; and

(v) A summary of laws relating to the criteria established by the Supreme Court to uphold an assessment determination by the equalization board; and

(3) (A) Property owners shall have the right to have a meeting with the assessor or his or her representative for a change in value before petitioning the equalization board for a hearing.

(B) In order to accommodate property owners, the assessor or his or her representative shall conduct the informal hearings required by this section after normal business hours at least one (1) day per week.

26-23-204. Tax bill information.

In order to assist property taxpayers to better understand their property tax bills, the following information shall be included on each tax bill sent by the county collector:

(1) The dollar amount of the taxpayer's total tax bill distributed to each taxing unit in the county in which their property is taxed;

(2) The millage rate levied by each taxing unit used to determine the tax distribution to each taxing unit and the percentage of the full value of the taxpayer's property that each millage rate levy represents;

(3) The percentage of the full value of the property shall be calculated by multiplying the legal assessment level by the appropriate millage rate levy; and

(4) The sum of the millage rates levied by each taxing unit, the percentage of the full value of the taxpayer's property that the sum of the millage rate levies represents, and the total dollar amount due and billed.

26-23-205. Taxpayer notice.

(a) A county collector shall send a property taxpayer a yearly notice concerning his or her rights under the provisions of the Arkansas Constitution, Amendment 79, containing the following:

(1) A statement that the assessed value of a homestead used as a principal place of residence and owned by a taxpayer who is disabled or sixty-five (65) years of age or older shall not increase; and

(2) The county assessor's contact information.

(b) The yearly notice required in subsection (a) of this section may be sent with the taxpayer's tax statement or by separate first-class mail.

26-24-101. Divisions Created.

For the purpose of assisting it in the carrying out of its functions, powers, and duties, there is created within the Arkansas Public Service Commission the following divisions:

(1) (A) A Tax Division which shall have the responsibility of performing all functions and duties regarding assessment and equalization of properties of public utilities and public carriers;

(B) (i) (*a*) All rules, regulations, and procedures to be followed by the division in assessing public utilities shall be promulgated by the commission, and all assessments of public utilities made by the division shall be upon the approval of the commission;

(*b*) Any person aggrieved by any assessment of any public utility made by the division and approved by the commission shall, upon petition, be entitled to a hearing before the commission, and appeals from the rulings of the commission shall be to the circuit court upon the record made before the commission in the manner provided by law;

(ii) (*a*) All rules, regulations, and procedures to be followed by the division in assessing public carriers shall be promulgated by the Arkansas Transportation Commission, and all assessments of public carriers made by the division shall be upon the approval of the Arkansas Transportation Commission;

(*b*) Any person aggrieved by any assessment of any public carrier made by the division and approved by the Arkansas Transportation Commission shall, upon petition, be entitled to a hearing before that commission, and appeals from the rulings of the commission shall be to the circuit court upon the record made before the commission in the manner provided by law;

(2) An Assessment Coordination Division, the duties of which shall be such of those formerly imposed upon the Arkansas Assessment Coordination Department as shall be assigned to the division by the commission. None of the duties so assigned shall relate to the assessment of the properties of public carriers or public utilities.

26-26-301. Duties of officers.

(a) All duties imposed by this subchapter on all state and county officers are declared to be mandatory, and any officer who neglects, fails, or refuses to perform any such duty shall be subject to removal from office and liable on his official bond for such neglect, failure, or refusal.

(b) (1) Upon the refusal or failure of any state officer to perform any duty imposed upon him under the provisions of this subchapter, any citizen of the state may, and the Attorney General of the State of Arkansas shall, institute in the proper court mandamus proceedings to compel the state officer to perform his duties

(2) Upon the refusal or failure of any county officer to perform any duty imposed upon him under the provisions of this subchapter, any citizen of the county may, and the prosecuting attorney of the district including such county shall, institute in the proper court mandamus proceedings to compel the county officer to perform his duties.

26-26-302. Assessment records to be kept current.

(a) It shall be the duty of each county assessor to keep his appraisal and assessment data and records current by securing the necessary field data and making changes in valuations as changes occur in land use and improvements, and as errors are discovered and corrected, so that his records will at all times show the valuation of property in accordance with the provisions of this subchapter.

(b) Whenever land assessed on an acreage basis is subdivided into lots, the land shall be reassessed on the basis of lots, and whenever land is rezoned for a different use, the land shall be reassessed on the basis of its new classification.

26-26-303. Percentage of value to be used in appraisal.

(a) The appraisal and assessment shall be according to value as required by Arkansas Constitution, Article 16, Section 5.

(b) The percentage of true and full market or actual value to be used in the appraisal and assessment shall be fixed and certified by the Arkansas Public Service Commission as provided by § 26-24-104.

(c) Until and unless a budget system is adopted with provisions for eliminating excessive and illegal tax rates and expenditures, the commission shall not fix and certify a percentage of true and full market or actual value in excess of twenty percent (20%).

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

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

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

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

(iii) No later than January 31 of every year, all counties shall report, by electronic transmission, sales data to the department. The sales data shall include:

(a) A listing of each property transferred under a warranty deed or special warranty deed;

(b) The consideration paid;

(c) The date of the sale;

(d) The parcel number;

(e) The legal description;

(f) The names of the grantor and grantee;

(g) The most recent assessed value of the property; and

(h) Other data prescribed by the department.

(iv) (a) The sales-to-assessment ratio study shall include sales data for the calendar year previous to the assessment year.

(b) In those instances when the number of appropriate sales from the calendar year previous to the assessment year is insufficient to present a statistically sound sample, the sales-to-assessment ratio study may include sales data for the three (3) calendar years previous to the assessment year.

(c) The department shall report the preliminary sales-to-assessment ratio studies to the county assessor and county judge on or before March 1 of the assessment year.

(2) The department shall supplement the sales-to-assessment ratio with appraisals as required and report the original combined real property ratios to the county assessor and county judge.

(3) In conducting the studies, the department shall use generally accepted valuation procedures, statistical compilation, and analysis techniques found in the International

Association of Assessing Officers' standards on ratio studies.

(b) (1) (A) An annual ratio study for the purpose of determining the average ratio of assessed value to the true and full market or actual value of personal property in each of the several counties of the state shall also be made.

(B) This ratio study of personal property shall be based upon a physical examination of the records of each county assessor's office to determine the degree of compliance with the criteria as established by the Personal Property Manual.

(2) The personal property original ratio study shall be certified by the department to the county judge and county assessor of each county by September 15 of each year.

(c) (1) On or before August 1 of each year the county assessor shall report to the department by total of items and value the total assessment of the county as made by the county assessor.

(2) (A) The county clerk shall file a report with the department showing the percent of true market or actual value at which the county equalization board has equalized the assessed values of the property of the county under the county equalization board's jurisdiction for the year, together with an abstract of the adjusted assessment by total of items and value.

(B) The report and abstract shall be filed each year no later than thirty (30) days after final adjournment of the county equalization board.

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

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

(3) (A) All reimbursements for travel expenses shall be limited to the actual and necessary expenses incurred.

(B) The total expenses incurred, other than for transportation, for travel within the county shall not exceed one-half (1/2) the daily maximum amount authorized for travel of state employees within the state, and, for travel outside the county, the amount shall not exceed the daily maximum amount authorized for travel of state employees within the state, in accordance with state travel laws and regulations.

(C) The transportation expenses shall not exceed the actual amount paid, except that the reimbursement for use of a private automobile shall be at the same rate per mile as is allowed in the reimbursement of state employees under the state travel laws and regulations for transportation expenses for each mile actually and necessarily traveled by the automobile, within and without the county.

(e) (1) In addition to the other provisions of this section, whenever the September 15 ratio for the classifications of market value real estate, business personal property, auto

and other personal property, or agricultural and timber falls below eighteen percent (18%) or above twenty-two percent (22%) of full fair market value, the county shall be deemed to have failed the ratio study and shall be subject to the corrective actions outlined in subsection (f) of this section.

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

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

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

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

(C) (i) The department and counties employing contracted appraisal services shall bear no additional expense for correcting a failed ratio study if the failure is found to be the fault of the contractor.

(ii) The contractor shall bear the cost of these additional services.

(2) (A) In the case in which a county fails to place the assessment value adjustments on the assessment rolls of the county as directed by the department, the department may notify the disbursing agents of the State of Arkansas to withhold the funds accruing to the county from all sources until the time that the adjustments are made.

(B) If the adjustments are not made for one (1) year, the withheld funds shall not be reimbursed to the county and shall be deposited in the State General Government Fund, and withholding shall begin for the following year.

(g) (1) If a county is aggrieved at the findings of the department, the county may appeal the findings of the department to the Director of the Assessment Coordination Department.

(2) The officials of each unit of government affected shall have the right to examine the records of the department that pertain to the ratio findings or value adjustment order for that unit of government.

26-26-306. Countywide reappraisal of property.

(a) Any countywide valuation review program begun in accordance with the requirements of § 26-26-305 [repealed] shall be deemed to be a countywide reappraisal of property pursuant to directive of law enacted by the General Assembly.

(b) Any county which has begun but has not completed a countywide valuation review program in accordance with the requirements of § 26-26-305 [repealed] or otherwise on March 26, 1997, shall direct that a countywide reappraisal of property be completed, using, in part, valuations determined through the valuation review program for each parcel of taxable property reviewed to date.

(c) The provisions of § 26-26-401 et seq., relative to the adjustment or rollback of millage levied for ad valorem tax purposes shall be applicable where a countywide reappraisal of property is completed as provided in this section.

(d) Any county which has begun but has not completed a countywide valuation review program in accordance with the requirements of § 26-26-305 [repealed] or otherwise on March 26, 1997, shall suspend the valuations determined through the valuation review program and use the valuations which were applicable prior to the valuation adjustments pending the completion of the countywide reappraisal.

(e) Ad valorem taxes which are due and owing on March 26, 1997, shall continue to be due and owing and shall not be affected by the terms of this section.

26-26-307. Completion of reappraisal – Suspension of penalties.

(a) When there is a countywide reappraisal of property for ad valorem tax purposes in any county, which reappraisal is conducted over a period of two (2) or more years, taxes shall not be assessed on the basis of the reappraised value of any property in the county until all taxable property in the county has been reappraised. When a countywide reappraisal of property is completed in any county and taxes are first assessed on the newly reappraised values, the provisions of Arkansas Constitution, Amendment 59 and § 26-26-401 et seq. relative to the adjustment or rollback of millage levied for ad valorem tax purposes shall be applicable.

(b) Provided that newly discovered real property, new construction and improvements to real property, and personal property, shall be listed, appraised and assessed as otherwise provided by law until the countywide reappraisal of property is completed.

(c) No county which is conducting a comprehensive countywide reappraisal of property for ad valorem tax purposes which is in progress on the third Monday in November in any year, or any municipality or school district therein, shall be subject to any penalties provided in § 26-26-304 for such fiscal year if the following requirements are met:

(i) The reappraisal meets the requirements of § 26-26-401; and

(ii) The reappraisal is conducted in accordance with a plan which has been approved by the Assessment Coordination Division and provides that the reappraisal will be completed within twenty-four (24) months following the date of such approval.

26-26-308. Rules and regulations

The Assessment Coordination Division of the Arkansas Public Service Commission shall promulgate appropriate rules and regulations to carry out the provisions of § 26-26-306 - § 26-26-308.

26-26-310. Certification of amount of property tax reduction.

(a) (1) On or before March 31 of each year, the county collector of each county shall certify to the Chief Fiscal Officer of the State the amount of the real property tax reduction provided in § 26-26-1118.

(2) (A) After receipt of the certification from the county collectors, the Chief Fiscal Officer of the State shall determine the proportionate share of the total statewide reduction attributable to each county.

(B) (i) At the end of each month, the Chief Fiscal Officer of the State shall determine the balance in the Property Tax Relief Trust Fund and certify it to the Treasurer of State.

(ii) The Treasurer of the State shall make distributions from the Property Tax Relief Trust Fund to each county treasurer in accordance with the county's proportionate share of the total statewide property tax reduction for that calendar year resulting from the provisions of § 26-26-1118.

(iii) (a) Effective January 1, 2006, the Treasurer of State shall make a monthly distribution from the Property Tax Relief Trust Fund to each county treasurer.

(b) The distributions for January, February, and March shall be in accordance with the county’s proportionate share of the total statewide property tax reduction as of the final county certification of the previous year.

(c) Beginning in April of each year, the distribution from the Property Tax Relief Trust Fund to each county treasurer shall be in accordance with the county’s proportionate share of the total statewide property tax reduction for that calendar year under § 26-26-1118.

(C) (i) If the Chief Fiscal Officer of the State has not received all of the certifications from the county collectors, then the distribution of the Property Tax Relief Trust Fund shall be as follows until all certifications have been received:

(a) The total amount of the Property Tax Relief Trust Fund to be distributed shall equal the total amount in the Property Tax Relief Trust Fund multiplied by the proportion of the previous year's total property assessment, less tangible personal

property and property owned by utilities and regulated carriers, of the counties that have certified, divided by the previous year's total property assessment, less tangible personal property and property owned by utilities and regulated carriers in the state; and

(b) Each county that has certified its property tax reduction shall receive an amount of the Property Tax Relief Trust Fund, as adjusted in subdivision (a)(2)(C)(i)(a) of this section, equal to the county's proportionate share of the total property tax reduction of the counties that have certified their property tax reductions.

(ii) However, until all counties have certified their property tax reductions to the Chief Fiscal Officer of the State, no county shall receive more than seventy-five percent (75%) of its certified property tax reduction.

(3) (A) (i) Funds so received by the county treasurers shall be credited to the county property tax relief fund.

(ii) Ninety-six percent (96%) of the funds shall be allocated and distributed to the various taxing entities within the county that levy ad valorem taxes.

(iii) The allocation shall be based on a certification from the county collector of the amount of the real property tax reduction per taxing entity provided in § 26-26-1118.

(iv) (a) The four percent (4%) retained in the county property tax relief fund is the commission of the county collector as authorized under § 21-6-305(a)(4).

(b) This commission shall become a part of the total commission of the county collector.

(v) These funds are subject to § 21-6-305(d).

(B) Funds so received by the various taxing units shall be used for the same purposes and in the same proportions as otherwise provided by law.

(b) (1) Distributions to each county shall continue on a monthly basis from the Property Tax Relief Trust Fund until the full amount certified by the county collectors, as of November 15 of each year, has been paid.

(2) (A) In no event shall the amount distributed to a county during a calendar year from the Property Tax Relief Trust Fund exceed the final amount certified by the county collector as of November 15 as the property tax reduction for that calendar year resulting from § 26-26-1118.

(B) If a county is paid in excess of its proportionate share, the Chief Fiscal Officer of the State may reduce payments made to the county for the subsequent calendar year until the overpayment is recovered.

(C) (i) On or before December 31 of each year, the Chief Fiscal Officer of the State, in cooperation with the Legislative Council and the Legislative Auditor, shall determine that portion of the balance remaining in the Property Tax Relief Trust Fund that is in excess of the required reimbursement to the counties and shall certify the excess to the Treasurer of State.

(ii) Beginning December 31, 2005, and on December 31 of each subsequent year, the Treasurer of State shall:

(a) Calculate an amount equal to one percent (1%) of the amount of the excess funds certified in subdivision (b) (2)(C)(i) of this section;

(b) Calculate each county's proportionate share of the amount calculated in subdivision (b)(2)(C)(ii)(a) of this section based on the proportions used to reimburse the county for property tax reductions under subsection (a) of this section; and

(c) Transfer the amount calculated under subdivision (b)(2)(C)(ii)(b) of this section to the county treasurer for allocation to the county assessor.

(iii) (a) These funds shall be used by the county assessor for the costs of administering Arkansas Constitution, Amendment 79.

(b) These costs include personnel, equipment, services, and postage used in the administration of Arkansas Constitution, Amendment 79.

(iv) The remaining excess funds may be used in accordance with subsequent legislation to provide additional tax relief or financial assistance to school districts that incur a reduction in revenue as a direct result of Arkansas Constitution, Amendment 79.

(3) (A) The Legislative Auditor or his or her designee shall audit the books and records of the county assessor, county collector, or any other party as needed to ensure that the amount of the property tax reduction certified by the county collector is accurate.

(B) The Chief Fiscal Officer of the State may adjust the amount certified by the county collector if it is discovered that the certified amount is incorrect.

(c) (1) On or before June 30 and November 15 of each year, the county collector of each county shall recertify to the Chief Fiscal Officer of the State the amount of the real property tax reduction provided in § 26-26-1118.

(2) The recertification shall reflect the most current total of tax reductions based on corrections and amendments to the records of the county assessor.

(3) After receipt of the recertification from the county collectors, the Chief Fiscal Officer of the State shall redetermine the proportionate share of the total statewide reduction attributable to each county.

26-26-401. Applicability.

The provisions of this subchapter relative to the adjustment or rollback of millage levied for ad valorem tax purposes shall be applicable only where there is a countywide or statewide reappraisal of property:

(1) Pursuant to court order; or

(2) Pursuant to directive of law enacted by the General Assembly; or

(3) When the reappraisal is initiated by the assessor, the county equalization board, by directive of the quorum court or upon request of one (1) or more taxing units of a county, and is determined and certified by the Assessment Coordination Division of the Arkansas Public Service Commission as constituting a comprehensive countywide reappraisal; or

(4) When ordered by or implemented by a county pursuant to a directive of the division or its successor agency.

26-26-402. Procedure for adjustment of taxes after reappraisal or reassessment of property.

(a) (1) Whenever a countywide reappraisal or reassessment of property subject to ad valorem taxes, made in accordance with procedures established in this subchapter and with regulations of the Assessment Coordination Division of the Arkansas Public Service Commission, or its successor agency, adopted pursuant to the authority granted in this section shall result in an increase in the aggregate value of taxable real and personal property in any taxing unit in this state of ten percent (10%) or more over the previous year, the rate of city or town, county, school district, and community college district taxes levied against the taxable real and personal property of each taxing unit shall, upon completion of the reappraisal or reassessment, be adjusted or rolled back by the governing body of the taxing unit for the year for which levied as provided.

(2) The adjustment or rollback of tax rates or millage for the base year as defined in subdivision (5) of this subsection shall be designed to assure that each taxing unit will receive an amount of tax revenue from each tax source no greater than ten percent (10%) above the revenues received during the previous year from each tax source, adjusted for any lawful tax or millage rate increase or reduction imposed in the manner provided by law for the year for which the tax adjustment or rollback is to be made, and after making the following additional adjustments:

(A) By excluding from calculation the assessed value of, and taxes derived from, tangible personal property assessed in the taxing unit and all real and tangible personal property of public utilities and regulated carriers assessed in the taxing unit; and

(B) (i) By computing the adjusted or rollback millage rates on the basis of the reassessed taxable real property for the base year that will produce an amount of revenue no greater than ten percent (10%) above the revenues produced from the assessed value of real property in the taxing unit after making the aforementioned adjustments for personal properties and properties of public utilities and regulated carriers as provided in subdivision (a)(2)(A) from millage rates in effect in the taxing unit during the base year in which the millage adjustment or rollback is to be calculated;

(ii) In calculating the amount of adjusted or rollback millage necessary to produce tax revenues no greater than ten percent (10%) above the revenues received during the previous year, the governing body shall separate from the assessed value of taxable real property of the taxing unit, newly discovered real property and new construction and improvements to real property, after making the adjustments for personal property or property of public utilities and regulated carriers as provided in subdivision (a)(2)(A), and shall compute the millage necessary to produce an amount of revenues equal to, but no greater than, the base year revenues of the taxing unit from each millage source. Such taxing unit may elect either to obtain an increase in revenues equal to the amount of revenues that the computed or adjusted rollback millage will produce from newly

discovered real property, new construction, and improvements to real property, or, if the same is less than ten percent (10%), the governing body of the taxing unit may recompute the millage rate to be charged to produce an amount no greater than ten percent (10%) above the revenues collected for taxable real property during the base year.

(3) The amount of revenues to be derived from taxable personal property assessed in the taxing unit for the base year, other than personal property taxes to be paid by public utilities and regulated carriers in the manner provided, shall be computed at the millage necessary to produce the same dollar amount of revenues derived during the current year in which the base year adjustment or rollback of millage is computed, and the millage necessary to produce the amount of revenues received from personal property taxes received by the taxing unit, for the base year shall be reduced annually as the assessed value of taxable personal property increases until the amount of revenues from personal property taxes, computed on the basis of the current year millage rates, will produce an amount of revenues from taxable personal property equal to or greater than that received during the base year, and thereafter the millage rates for computing personal property taxes shall be the millage rates levied for the current year.

(4) The taxes to be paid by public utilities and regulated carriers in the respective taxing units of the several counties of this state during the first five (5) calendar years in which taxes are levied on the taxable real and personal property as reassessed and equalized in each of the respective counties as a part of a statewide reappraisal program shall be the greater of the following:

(A) The amount of taxes paid on property owned by such public utilities or regulated carriers in or assigned to the taxing unit, less adjustments for properties disposed of or reductions in the assessed valuation of such properties in the base year as defined below; or

(B) The amount of taxes due on the assessed valuation of taxable real and tangible personal property belonging to the public utilities or regulated carriers located in or assigned to the taxing unit in each county at millage rates levied for the current year.

(5) As used in this section, the term "base year" shall mean the year in which a county completes reassessment and equalization of taxable real and personal property as a part of a statewide reappraisal program and extends the adjusted or rolled back millage rates for the first time, as provided in subdivision (1) of this subsection, for the respective taxing units in that county for collection in the following year.

(A) In the event the amount of taxes paid the taxing unit in a county in the base year, as defined in this subdivision, is greater than the taxes due to be paid to such taxing unit for the current year of any year of the second period of five (5) years after the base year, the difference between the base-year taxes and the current year taxes for any year of the five-year period shall be adjusted as follows:

Current year of second period of five (5) years	Taxes shall be current-year taxes to which shall be added the following percentage of the difference between the current-year taxes and the base-year taxes (if greater than current-year taxes)
1st year	80% of difference
2nd year	60% of difference
3rd year	40% of difference
4th year	20% of difference
5th year and thereafter	Current year's taxes only

(B) If the current-year taxes of a public utility or regulated carrier equal or exceed the base-year taxes due a taxing unit during any year of the first ten (10) years after the base year, the amount of taxes to be paid to the taxing unit shall thereafter be the current-year taxes, and the adjustment authorized in this section shall no longer apply in computing taxes to be paid to such taxing unit.

(6) In the event the requirement for payment of taxes by public utilities and regulated carriers, or any class of utilities or carriers for the ten-year period as provided in subdivision (a)(5)(B) shall be held by court decision to be contrary to the constitution or statutes of this state or of the federal government, all utilities and all classes of carriers shall receive the same treatment provided or required under the court order for a particular type of carrier or utility if deemed necessary to promote equity between similar utilities or classes of carriers.

(b) If it is determined that the adjustment or rollback of millages as provided for in this section will render income from millages pledged to secure any bonded indebtedness insufficient to meet the current requirements of all principal, interest, paying agents' fees, reserves, and other requirements of a bond indenture, any pledged millage shall be rolled back or adjusted only to a level which will produce at least a level of income sufficient to meet the current requirements of all principal, interest, paying agents' fees, reserves, and other requirements of the bond indenture.

(c) Pursuant to the application of Arkansas Constitution, Amendment 74, to the rollback provisions of Arkansas Constitution, Amendment 59, for millage rates levied by the various school districts within the county, if it is determined that the adjustment or rollback of millages as provided in Amendment 59 will result in a tax rate available for maintenance and operation of less than the uniform rate of tax, then the millage shall be rolled back only to the uniform rate of tax plus debt service millage required, and no further.

26-26-403. Certification of assessed value data.

(a) In the base year of an approved countywide reassessment program, the county clerk shall certify the assessed value by taxing unit after the county equalization board hearings and county court hearings, on the first Monday in November.

(b) On or before the second Monday in November of the base year, the county clerk shall report to the governing body of each taxing unit the following completed form, accurately listing the required data on each line.

Base Year Certification of Assessment Data
on Real Estate

COUNTY: _____

TAXING UNIT: _____

DATE: _____

1. Total Assessment _____

2. Total Newly Discovered Property List _____

3. Total Taxes Certified for Collection _____

4. Millage Levy for Maintenance and Operations _____

4. Millage Levy for Bonds or Debt Service _____

_____

_____

_____

_____

County Clerk Certification: _____

Signature

26-26-404. Computation and certification form.

(a) (1) The governing body of each taxing unit in the base year of countywide reassessment shall complete the following form and return the form to the county clerk on or before the third Monday in November of the base year, using certified data provided by the county clerk as described in § 26-26-402.

(2) The form shall be signed by the officers of the governing body of each taxing unit.

(b) (1) If newly discovered and new construction properties are less than a ten percent (10%) increase in assessments, the governing body of each taxing unit may elect to increase the rolled back millage an amount to allow no more than an overall ten percent (10%) increase in taxes.

(2) If the newly discovered and new construction property list is ten percent (10%) or more above reassessment total, the total amount is allowed; however, no increase in the rolled back millage shall be considered.

(c) Each tax source or millage levy shall be computed and rounded up to the nearest one-tenth (1/10) mill.

(d) The county clerk shall file and record the completed forms required in § 26-26-403 and this section and shall forward a copy of the forms to the Assessment Coordination Division of the Arkansas Public Service Commission by December 1 of the base year.

Base Year Millage Rollback Computation and Certification Form

COUNTY: _____

TAXING UNIT: _____

DATE: _____

1. Compute the following to discover total of reassessed property:
   a. Total base year assessments _____
   b. Less newly discovered, new construction properties _____
   c. Equals total reassessed properties _____

2. Compute the following to find the zero-increase millage adjustment:
   a. Base-year taxes certified for collection _____
   b. Divided by reassessed properties _____
   c. Equals zero-increase millage _____

3. Compute the following to find the percentage of newly discovered property:
   a. Newly discovered, new construction properties _____
   b. Divided by total assessed properties _____
   c. Equals percent newly discovered _____

4. Millage adjustment option:
   a. Maximum increase option _____10%_____
   b. Minus newly discovered property percentage _____
   c. Allowable optional millage increase _____

5. To compute millage adjustment option if applicable:
   a. Rolled back zero-base millage _____
   b. Times allowed optional millage increase percent _____
   c. Equals indicated overall millage of _____

6. Each tax source or levy shall be adjusted by applying the following computed multipliers and adjusting to the next highest one-tenth (1/10) mill:
   a. Overall millage from 5.c. above _____
   b. Divided by previous millage prior to base year _____
   c. Equals multiplier _____

7. Compute each tax source or levied millage in the following table:

Tax Source	Previous Millage	x	Multiplier	=	Adjusted/Rounded Millage/Millage
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
			Total Millage	=	_____/_____

Minimum Millage Required by Amendment 74 = _____

Minimum Millage to be Levied (Greater of above) = _____

CERTIFICATION: Signatures _____

_____

_____

8. Proration of minimum millage by tax source if applicable:
   a. Millage to be levied _____
   b. Divided by total previous millage _____
   c. Equals multiplier _____
   d. Compute each tax source or levied millage in the following table:

Tax Source	Previous Millage	x	Multiplier	=	Adjusted/Rounded Millage/Millage
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
_____	_____	x	_____	=	_____/_____
			Total Millage	=	_____/_____

9. TOTAL MILLAGE TO BE LEVIED _____

CERTIFICATION: Signatures _____

_____

_____

26-26-407. Valuation of different types and uses of property.

(a) Residential property used solely as the principal place of residence of the owner shall be assessed in accordance with its value as a residence, so long as the property is used as the principal place of residence of the owner and shall not be assessed in accordance with some other method of valuation until the property ceases to be used for the residential purpose.

(b) (1) (A) Agricultural land, pasture land, and timber land valuation shall be based on the productivity of the agricultural land, pasture land, or timber land soil.

(B)Agricultural land, pasture land, and timber land guidelines shall be developed based on the typical or most probable use of the soils for agricultural land, pasture land, and timber land in the region.

(2) Land that is enrolled in the Wetland Reserves Program of the Natural Resources Conservation Service of the United States Department of Agriculture or in the Conservation Reserve Program of the Natural Resources Conservation Service of the United States Department of Agriculture shall be treated as agricultural land, pasture land, or timber land for purposes of valuation.

(c) (1) Commercial land and residential land that are vacant shall be valued on their typical use.

(2) The assessor must determine what the typical use of vacant commercial or residential land is by considering the primary current use of adjacent lands.

(d) (1) For real property in which the mineral estate and surface estate are severed, if a surface estate owner's use and enjoyment of the surface estate are adversely affected by a severed mineral estate owner's use and enjoyment of the severed mineral estate, or a surface estate owner's utility of the surface estate interest is adversely affected by a severed mineral estate owner's use and enjoyment of the severed mineral estate, the assessment of the surface estate is as follows:

(A) For agricultural land, pasture land, or timber land, a well drilled for the purpose of extracting minerals from a severed mineral estate creates a presumption of diminished utility of the surface estate, and the assessed value of the affected surface estate shall reflect the minimum productivity value of the surface estate and shall be reduced accordingly.

(B) For residential property and commercial property, a well drilled for the purpose of extracting minerals from a severed mineral estate creates a presumption of diminished utility of the surface estate, and the assessed value of the affected surface estate shall reflect the diminished utility of the surface estate and reduced accordingly.

(2) Unless market evidence indicates an increase in land area value or an increase in value of the surface estate, the portion of the surface estate for which a presumption of diminished utility exists under subdivision (d)(1) of this section shall not exceed one (1) acre per well, and the value of the surface estate for that one (1) acre shall be assessed in

an amount not to exceed twenty-five percent (25%) less than surrounding comparable property.

(e) (1) The county equalization board may reclassify land upon proof of change in use of the land or upon proof that the land is not eligible for classification under the provisions of this section.

(2) The owner may appeal the decisions of the county assessor and county equalization board as provided by law for other appeals from the county assessor or county equalization board.

(f) (1) In devising and developing methods of assessing and levying the ad valorem property tax on real property, the Assessment Coordination Department shall annually develop and publish valuation tables and other data which shall be used by county assessors for assessing lands qualifying under the provisions of this subchapter.

(2) (A) Effective for assessment years beginning January 1, 2008, and every year thereafter, the Assessment Coordination Department shall update the valuation tables for assessing lands qualifying as agricultural land, pasture land, and timber land in time for counties to use the updated tables when they finish their countywide appraisals.

(B) Beginning January 1, 2008, when there is a countywide reappraisal, a county shall assess agricultural land, pasture land, and timber land based upon the updated land values in the valuation tables issued for the assessment year.

(3) (A) Effective for assessment years beginning January 1, 2008, the Assessment Coordination Department by rule shall develop appropriate formulas reflecting the productivity valuation of the land based upon income capability attributable to agricultural land, pasture land, and timber land soils.

(B) Beginning January 1, 2008, and every year thereafter, the Assessment Coordination Department shall develop and calculate capitalization rates by using appropriate long-term federal security rates, risk rates, management rates, and other appropriate financial rates.

(C) However, the capitalization rate developed under subdivision (f)(3)(B) of this section shall not be less than eight percent (8%) nor more than twelve percent (12%).

(4) By October 15 of each year, the Assessment Coordination Department shall report to the Legislative Council any changes to any part of the formula used to determine the value or the capitalization rate.

(g) (1) Whenever land that has qualified for valuation on use or productivity under subsection (b) of this section is converted to another use, the person converting the land to another use shall notify, immediately and in writing, the county assessor of the change in use.

(2) At the appropriate time, the county assessor shall extend the taxes on the land based on the change in use and shall certify to the county collector the amount to be collected.

(h) (1) If any person shall fail to give written notice of a change in use of land as required in subsection (g) of this section, the person shall be subject to a penalty in an amount equal to three (3) years of taxes on the land at the value in the new use or conversion use.

(2) Any penalty so assessed shall be included in the taxes on the land for the year in which the failure is discovered and shall be a lien on the land to the same extent as any other taxes levied on the land.

(i) Any funds derived from penalties assessed pursuant to subsection (h) of this section shall be deposited into the county general fund to be used for the purposes prescribed by law.

26-26-408. Implementation of millage rollback in fringe school districts.

(a) For purposes of this section, the term "fringe school districts" means those school districts whose boundaries extend across one (1) or more county lines.

(b) When there is a statewide or countywide reappraisal of property for ad valorem tax purposes pursuant to court order or pursuant to law enacted by the General Assembly, the millage rollback for fringe school districts will be implemented as follows: That part of the school district in a county reappraised first will be rolled back in accordance with procedures prescribed in this subchapter, and taxes will be levied at that millage rate until such time as a similar reappraisal is completed in the other counties in which the school district lies and the millage in those counties is rolled back in accordance with this subchapter at which time the rolled back millage for the first part of the school district that has been reappraised and the rolled back millage for each succeeding part of the school district that has been reappraised shall be averaged, weighted by the percentage of the total assessment of the school district that each part consists of in order to create a weighted average millage, and thereafter the weighted average millage for the school district will be the millage rate levied in the whole school district.

26-26-409. Rules and regulations.

The various state agencies having authority and responsibility with respect to the implementation of the provisions of Arkansas Constitution, Amendment 59, and the provisions of this subchapter or any other laws enacted to carry out the purpose and intent of the amendment are authorized and directed to adopt appropriate rules, regulations, and guidelines to assure that the intent and purpose of the amendment and the laws designed to implement and carry out its purposes are effectively and efficiently carried out during the transitional period.

26-26-503. Appointment and training of personnel.

(a) The county assessor in each county may employ such personnel as the assessor deems necessary to reappraise taxable property in the county in compliance with the court order in Arkansas Public Service Commission, et al. v. Pulaski County Board of Equalization, et al. and to thereafter maintain a proper appraisal of property in the county.

(b) (1) (A) The Assessment Coordination Division of the Arkansas Public Service Commission shall prescribe an appropriate course of training to qualify persons employed by elected county assessors to conduct appraisals of property for ad valorem tax purposes and shall issue a certificate of qualification to each person who successfully completes the course of training or is otherwise determined by the division to be qualified to conduct appraisals.

(B) (i) Only those persons who hold certificates of qualification issued by the division as provided for in this section shall be employed by the elected county assessors for or undertake the appraisal of property for ad valorem tax purposes in any county.

(ii) This section only applies to persons employed by elected county assessors, and the elected county assessors are not themselves required to be certified by the division.

(2) The division shall seek the advice of the Legislative Council prior to the final adoption of training criteria for persons to be employed by county assessors to appraise property for ad valorem tax purposes.

26-26-1107. Change in or damage to property.

(a) All lands that shall have been purchased from owners, the property of whom or which was by law exempt, all new improvements over the actual value of one hundred dollars ($100), and all town or city lots as may have been platted, as the case may be, subsequent to January 1 of any year shall be subject to assessment and taxation for the year immediately following the purchase, improvement, or platting.

(b) (1) (A) In each year, all real estate or improvements on real estate which have been damaged by fire, flood, tornado, or other act of God, if the property is then on the assessment record at a value determined prior to the damage and if the damage occurred prior to the date the county assessor is required by law to deliver his or her report of assessment to the county clerk, then that property shall be revalued and assessed by the county assessor.

(B) Nothing in this subsection shall be construed as requiring a county assessor to seek to identify property which may have been damaged.

(2) An appeal shall lie from the action of the county assessor as in the case of other property in that year assessed.

26-26-1118. Limitation on increase of property's assessed value.

(a) (1) (A)There is established a homestead property tax credit for each assessment year that reduces the amount of real property taxes assessed on the homestead of each property owner by three hundred dollars ($300).

(B) Effective with the assessment year 2007 and thereafter, the amount of real property taxes assessed on the homestead of each property owner shall be reduced by three hundred fifty dollars ($350).

(C) However, no assessment shall be reduced to less than zero dollars ($0.00).

(2) Each property owner shall pay the reduced tax amount to the county.

(3) The homestead property tax credit adopted by this section shall be reflected on the tax bill sent to the property owner by the county collector.

(4) The county and taxing units within the county are entitled to reimbursement of the tax reduction resulting from the homestead property tax credit in accordance with § 26-26-310.

(b) (1) Each county assessor shall be responsible for identifying those parcels of real property that are used as homestead residences prior to issuing tax bills.

(2) (A) Each property owner shall register with the county assessor proof of eligibility for the property tax credit if the property owner intends to claim a property tax credit.

(B) (i) The registration may be attached to the deed or other instrument conveying an interest in real property and filed with the circuit clerk, who shall remit the registration to the county assessor.

(ii) The registration form shall not be filed by the circuit clerk.

(C) The property owner may submit a registration for the property tax credit directly to the county assessor.

(3) In no event shall the property tax credit authorized by subdivision (a)(1) of this section be allowed after October 10 of the year after the assessment.

(4) (A) A parcel of real property shall qualify as a homestead prior to January 1 of the year after assessment to be eligible for the property tax credit.

(B) Once a parcel of real property is determined to be eligible for the property tax credit, the parcel of real property shall remain eligible for that year regardless of a change in the use of the parcel of real property during the year.

(5) (A) The parties to a transfer of real property may prorate, as between themselves, the property tax credit and the benefits of the property tax credit by agreement of the parties.

(B) If a parcel of real property qualifies for the property tax credit, the property tax credit shall apply regardless of who or what entity pays the property tax.

(6) (A) When real property is transferred, the purchaser of the real property shall notify the county assessor of the new use of the real property.

(B)The notification may be by affidavit provided by the purchaser of the real property or on a form provided by the county assessor.

(7) (A) The Division of Vital Records of the Department of Health shall send to the county assessor a monthly report listing the residents of that county who have died.

(B) The report shall be sent to each county assessor by:

(i) Electronic mail;

(ii) Fax; or

(iii) United States Postal Service.

26-26-1119. Prohibited conduct - Penalties - Time limitation.

(a)(1) No property owner shall claim more than one (1) homestead property tax credit for each year.

(2) (A) If the county assessor determines that a property owner has claimed more than one (1) homestead property tax credit in a year, in addition to repayment of the homestead property tax credit, the designated preparer of the tax books shall extend a penalty of one hundred percent (100%) of the amount of the unlawfully claimed homestead property tax credit.

(B)(i) If the property owner has unlawfully claimed a homestead property tax credit in a county other than the county where his or her lawfully claimed homestead property tax credit was claimed, then the property owner shall pay the entire amount of the unlawfully claimed homestead property tax credit and the penalty at the time of payment of the property owner's taxes.

(ii) If the property owner has unlawfully claimed a homestead property tax credit in the same county that he or she lawfully claimed a homestead property tax credit, then the property owner shall elect to either:

(*a*) Pay the entire amount of the unlawfully claimed homestead property tax credit and the penalty at the time of payment of the property owner's taxes; or

(*b*) Not claim a homestead property tax credit on any property in the county or on any other property in the state for two (2) years for each year that the credit was claimed unlawfully.

(C) In order to qualify for the homestead property tax credit after repayment of an unlawfully claimed homestead property tax credit and payment of a penalty, the property owner shall register with the county assessor according to § 26-26-1118(b)(2)(A).

(b)(1) Every property owner shall report to the county assessor a change in eligibility to claim a property tax credit or a change in use of the property prior to January 1 of the year following the change.

(2) If the county assessor determines that a property owner has failed to report a change in the eligibility to claim a property tax credit or has failed to register a required change in the use of the property, the designated preparer of the tax books shall extend, in

addition to repayment of the unlawfully claimed homestead property tax credit, the correct property tax due along with a penalty of one hundred percent (100%) of the amount of the unlawfully claimed homestead property tax credit.

(3) (A) If the property owner has unlawfully claimed a homestead property tax credit in a county other than the county where his or her lawfully claimed homestead property tax credit was claimed, then the property owner shall pay the entire amount of the unlawfully claimed homestead property tax credit and the penalty at the time of payment of the property owner's taxes.

(B) If the property owner has unlawfully claimed a homestead property tax credit in the same county that he or she lawfully claimed a homestead property tax credit, then the property owner shall elect to either:

(i) Pay the entire amount of the unlawfully claimed homestead property tax credit and the penalty at the time of payment of the property owner's taxes; or

(ii) Not claim a homestead property tax credit on any property in the county or on any other property in the state for two (2) years for each year that the credit was claimed unlawfully.

(c) (1) Penalties assessed under this section shall bind the real property and shall be entitled to preference over all judgments, executions, encumbrances, or liens, whenever created, until the penalties are repaid.

(2) Penalties collected under this section shall be remitted to the county treasurer to be credited to the county general fund.

(d) (1) The debt owed for the repayment of an unlawfully claimed homestead property tax credit assessed under this section shall bind the real property and shall be entitled to preference over all judgments, executions, encumbrances, or liens, whenever created, until it is repaid.

(2) A homestead property tax credit repaid under this section from a person who was not entitled to claim a credit shall be remitted to the Treasurer of State for deposit in the Property Tax Relief Trust Fund.

(e) (1) The property owner may appeal to the county court the determination by a county assessor that:

(A) The property owner shall repay an unlawfully claimed homestead property tax credit;

(B) The property owner shall pay penalties; or

(C) Any other determination that the property owner has violated this section.

(2) To appeal the determination by a county assessor, the property owner must file a petition with the county court within thirty (30) days from the date of the determination by the county assessor.

(3) After the petition is filed, the county court shall set a hearing within thirty (30) days after the filing of the petition.

(4) At the hearing, the property owner and county assessor shall present evidence to support their positions.

(5) The county court shall provide the property owner, county assessor, and county clerk with the county court's decision in writing within ten (10) business days after the hearing.

(6) The property owner or county assessor may appeal the county court's decision to circuit court within thirty (30) days after the date of the decision.

(f) (1) No penalties under this section shall be imposed against a property owner for an unlawfully claimed property tax credit after the expiration of three (3) years from the date the property tax credit was claimed.

(2) No repayment requirement under this section shall be imposed against a property owner for an unlawfully claimed property tax credit after the expiration of three (3) years from the date the property tax credit was claimed.

(3) This section does not alter the property owner's deadline to claim the homestead property tax credit as provided in § 26-26-1118(b)(3).

26-26-1122. Definitions.

(a) As used in this subchapter and in the Arkansas Constitution, Amendment 79:

(1) (A) "Homestead" means the dwelling of a person that is used as his or her principal place of residence with the contiguous land, excluding all land valued as agricultural land, pasture land, or timber land.

(B) "Homestead" shall also include a dwelling owned by a revocable trust and used as the principal place of residence of a person who formed the trust;

(2) "New construction" means changes to real property that have occurred to real property already on the assessment roll;

(3) "Newly discovered real property" means real property that has never been on the assessment roll or that has changed use; and

(4) (A) "Property owner" means a person who is:

(i) The owner of record of real property or the mortgagee of the real property;

(ii) A buyer under a recorded contract to purchase real property; or

(iii) A person holding a recorded life estate in real property.

(B) "Property owner" shall include the previous record owner of tax-delinquent real property that has vested in the State of Arkansas in care of the Commissioner of State Lands under § 26-37-101(c) if the previous record owner continues to occupy the residence subject to his or her right of redemption.

(b) The Assessment Coordination Department may by rule define the term "substantial improvements" and any other term necessary to administer this subchapter.

26-26-1123. Sale of real property.

(a)When a person sells his or her real property, the county assessor shall assess the real property at twenty percent (20%) of the appraised value at the next assessment date after the date of the transfer of title to the real property.

(b)The owner of real property to whom title is transferred by a sale is not entitled to claim any limitation on the assessed value of the real property until the second assessment date after the date of the transfer of title to the real property.

(c)This section does not apply to any transfer of title to real property claimed as a homestead in which the owner or beneficiary of the homestead retains a life-estate interest in the homestead following the transfer of title to the real property.

26-26-1202. Valuation procedures.

(a)(1) Each separate parcel of real property shall be valued at its true market value in money, excluding the value of crops growing thereon.

(2) The price at which the real estate would sell at auction or at a forced sale shall not be taken as the criterion of the true value.

(b)Each tract of land belonging to the state or to any county, city, town, or charitable institution, whether incorporated or unincorporated, and saline, swamp, seminary, school, or mineral lands held under a lease exceeding five (5) years and not exceeding ten (10) years shall be valued at the price the assessor believes could be obtained at a private sale for the leasehold estate.

(c)(1) Personal property of any description shall be valued at the usual selling price of similar property at the time of listing.

(2) If any personal property shall have no well-fixed or determined value in that locality at the time, then it shall be appraised at such price as in the opinion of the assessor could be obtained at that time and place.

(d)Investments in bonds, stocks, joint-stock companies, or otherwise shall be valued at their value in money, and the quotations and selling price thereof may be considered in determining their values.

(e)Money, whether in possession or on deposit in this state, or out of it subject to the order or control of the person listing, shall be entered in the statement at the full amount thereof.

(f) Every credit for a sum certain, payable either in money, property of any kind, labor, or service, shall be assessed according to its true value. If for a specified number or quantity of any article of property, for a certain amount of labor, or for services of any kind, it shall be assessed according to its true value.

(g)Annuities or moneys receivable at a stated period shall be rated at the price which they may be worth in money.

(h) Where the fee of the soil in any tract, parcel, or lot of land is in any person, natural or artificial, and the right to any mineral therein is in another, it shall be valued and listed agreeably to the ownership, in separate entries, and taxed to the parties owning it respectively.

26-26-1901. Definitions.

As used in this subchapter:

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

(2) "Department" means the Assessment Coordination Department; and

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

26-26-1902. Reappraisal.

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

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

(2) (A) If, as a result of a three-year reappraisal cycle, the new market value real estate assessment is greater than fifteen percent (15%) from the market value real estate assessment in the county in the year preceding the beginning of the reappraisal cycle, the county shall be required to complete its next reappraisal at a minimum of one (1) time every three (3) years from the previous assessment until the new market value real estate assessment is less than fifteen percent (15%) from the market value real estate assessment in the year preceding the beginning of the reappraisal cycle, at which point the county shall be placed into a five-year reappraisal cycle.

(B) If a county in a five-year reappraisal cycle has a new market value real estate assessment that is twenty-five percent (25%) greater than the market value real estate assessment in the county in the year preceding the beginning of the reappraisal cycle, the county shall be required to complete its next reappraisal at a minimum of one (1) time every three (3) years from the previous assessment until the new market value real estate assessment is less than fifteen percent (15%) from the market value real estate

assessment in the year preceding the beginning of the reappraisal cycle, at which point the county shall be placed into a five-year reappraisal cycle.

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

(3) (A) At the time that a county submits its market value real estate assessments to the Assessment Coordination Department, the county may appeal its new or continued placement into a three-year reappraisal cycle if the increased market value real estate assessment is a result of a single property improvement.

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

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

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

(c) (1) The county assessor or other official or officials designated by law shall compare the assessed value of each parcel under a reappraisal or reassessment that is completed in 1999 or later to the assessed value of the parcel for the previous year.

(2) In the first county-wide reappraisal performed after January 1, 2001, by counties subject to Arkansas Constitution, Amendment 79, § 2:

(A) If the assessed value of the parcel increased, then the assessed value of the parcel for the year in which the parcel is reappraised or reassessed shall be adjusted by adding one-third (1/3) of the increase to the assessed value for the year prior to the reappraisal or reassessment; and

(B) An additional one-third (1/3) of the increase shall be added in each of the next two (2) years.

26-26-1903. Criteria for reappraisal

The Assessment Coordination Department shall determine which counties shall be required to complete reappraisals in the years stated in § 26-26-1902(b), based on the following criteria:

(1) The length of time since the last county-wide reappraisal;

(2) The level and quality of assessment within the county;

(3) The parcel counts within each county; and

(4) The cost of reappraisal.

26-26-1904. Objectives.

The objectives of this subchapter are as follows:

(1) To establish and promote a uniform system of real property assessments within each county of the state and among the counties;

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

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

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

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

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

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

(a) To carry out the provisions of this subchapter, the Assessment Coordination Department, as it deems necessary, appropriate, and consistent with the objectives of this subchapter, shall:

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

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

(B) Any department personnel responsible for approving reappraisal plans or property values resulting from those reappraisals shall be required to meet the same criteria;

(3) (A) Enter into contracts with private entities for appraisal services on behalf of counties on such terms and conditions as the department deems are consistent with the provisions of this subchapter and are necessary and appropriate in its implementation.

(B) Section 19-11-101 et seq. shall not apply to a contract made under this subchapter and to the expenditure of funds from the Arkansas Real Property Reappraisal Fund.

(b) (1) Each county shall follow the reappraisal procedures established by the department and file a reappraisal management plan with the department no later than November 1 of the year preceding the commencement of the reappraisal.

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

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

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

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

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

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

(B) If the alternate reappraisal management plan is rejected by the department, the county shall employ and enter into a contract for professional services with a professional reappraisal company on behalf of all taxing units in the county as set forth in subsection (f) of this section.

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

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

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

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

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

(a) County assessors or those otherwise responsible for the valuation of real property for assessment purposes shall employ computer-assisted mass appraisal systems approved by the Assessment Coordination Department.

(b) Information stored in the electronic database used in the computer-assisted mass appraisal system shall include, but not be limited to, pertinent physical characteristics and historical sales prices of each property in the county.

(c) The department shall have access to view and obtain the data stored in each county's computer-assisted mass appraisal system via common-use technologies as determined by the department, including without limitation:

(1) The internet;

(2) Network technologies;

(3) Phone line and modem technologies;

(4) Compact disk technologies;

(5) Magnetic tape technologies; or

(6) Other similar common-use technologies.

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

(a) (1) There is created a fund to be known as the “Arkansas Real Property Reappraisal Fund”.

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

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

(c) (1) The fund proceeds shall be distributed monthly, except when there is a determination by the Assessment Coordination Department that proper reappraisal procedures established by the department are not being followed.

(2) (A) (i) Upon a finding by the department that proper reappraisal procedures are not being followed, the county assessor or contractor shall be notified that the reappraisal is out of compliance with accepted guidelines as established in this subchapter and rules enacted pursuant to the subchapter.

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

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

(d) Based on its expertise and the criteria and requirements set forth in this subchapter, the department shall establish by rule the findings that indicate proper reappraisal procedures are not being followed.

(e) At the end of each county-wide reappraisal, the department shall issue a report of the status of the county.

26-26-1908. Applicability of relation to ad valorem tax.

The provisions of §§ 26-26-401 – 26-26-409 and 26-26-410 [repealed] relative to the adjustment or rollback of millage levied for ad valorem tax purposes shall be applicable when a county-wide reappraisal of property is completed as provided in this subchapter.

26-26-1909. Relation to previous requirements.

Implementation of this subchapter does not relieve a county of any previous requirements for a reappraisal.

26-26-1910. Scope.

The provisions of this subchapter shall not affect either the duties of the equalization board or the county assessor's duties in relation to the assessment of personal property or any other responsibilities of the county assessors not directly addressed in this subchapter.

26-26-1911. Department authority.

The Assessment Coordination Department shall promulgate regulations for the implementation of this subchapter.

26-27-301. Creation.

(a) There is created a county equalization board in each county of this state to be selected in the manner provided by §§ 26-27-302 -- 26-27-305.

(b) The boards shall have all the powers and authority, and perform all of the duties which are conferred by law on the boards in this state.

26-27-302. Qualifications.

The county equalization board of each county shall be composed of qualified electors of the county who have been real property owners for at least one (1) year.

26-27-303. Composition.

(a) The county equalization board of each county shall consist of five (5) members.

(b) However, in counties having a population in excess of seventy-nine thousand (79,000) persons, according to the most recent federal decennial census, the board may consist of nine (9) members.

26-27-304. Selection of members.

(a) (1) When the county equalization board consists of five (5) members:

(A) One (1) member shall be selected by the representatives of the several school districts in the county;

(B) One (1) member shall be selected by the representatives of all cities and incorporated towns in the county;

(C) One (1) member shall be appointed by the county judge; and

(D) Two (2) members shall be appointed by a majority vote of the county quorum court in the following manner:

(i) The quorum court shall appoint a licensed real estate appraiser to at least one (1) of these two (2) positions, but if a licensed real estate appraiser is not available or willing to serve, the quorum court may appoint a licensed real estate broker;

(ii) If a licensed real estate broker is not available or willing to serve, the quorum court may appoint a licensed real estate salesperson; and

(iii) If a licensed real estate salesperson is not available or willing to serve, the quorum court may appoint any qualified elector of the county.

(E) The five (5) members shall be selected from different sections of the county.

(2) When the county equalization board consists of nine (9) members:

(A) Two (2) members shall be selected by the representatives of the several school districts in the county;

(B) Two (2) members shall be selected by the representatives of all cities and incorporated towns in the county;

(C) Two (2) members shall be appointed by the county judge; and

(D) Three (3) members shall be appointed by a majority vote of the county quorum court in the following manner:

(i) The quorum court shall appoint a licensed real estate appraiser to at least one (1) of these three (3) positions, but if a licensed real estate appraiser is not available or willing to serve, the quorum court may appoint a licensed real estate broker;

(ii) If a licensed real estate broker is not available or willing to serve, the quorum court may appoint a licensed real estate salesperson; and

(iii) If a licensed real estate salesperson is not available or willing to serve, the quorum court may appoint any qualified elector of the county.

(E) The selecting or appointing agency in each instance shall select or appoint the members from different sections of the county.

(b) (1) (A) (i) For the purpose of making the selection of its members of the county equalization board as provided in this section, the school district's superintendent or designee of each school district in each county shall serve as the representative of his or her respective school district.

(ii) The representatives of the several school districts of each county shall hold a meeting during the month of May of each year in which the term of any of their members of the county equalization board shall expire.

(B) The county judge shall serve as chair of the meeting and shall issue the call for the meeting, which shall specify the time, date, and place of the meeting.

(C) (i) The selection of members of the county equalization board shall be by majority vote of the school board representatives present, and no action shall be taken unless there is a quorum present.

(ii) A majority of all of the school board representatives in the county shall constitute a quorum.

(2) (A) (i) For the purpose of making the selection of their members of the county equalization board, the representatives of the cities and incorporated towns in the county shall hold a meeting during the month of May of each year in which the term of any of their members of the county equalization board shall expire.

(ii) The mayor of the city or town or his or her designee shall serve as the representative of his or her city or town.

(B) The mayor or his or her designee of the county seat city or town or, if there are two (2) county seats, the mayor or his or her designee of the larger county seat city or town shall serve as chair of the meeting and shall issue the call, which shall specify the time, date, and place of the meeting.

(C) (i) The selection of members of the county equalization board shall be by majority vote of the representatives of the cities and towns present, and no action shall be taken unless there is a quorum present.

(ii) A majority of all of the representatives of all cities and incorporated towns in the county shall constitute a quorum.

(iii) Each of the cities and incorporated towns within the county shall be entitled to one (1) vote.

(3) The county judge and the quorum court of each county shall make the appointment of their members of the county equalization board during the month of May of each year in which the term of any of their members of the county equalization board shall expire.

26-27-305. Terms of office -- Vacancies.

(a) The terms of office of the members of the county equalization boards shall be staggered as follows:

(1)(A) In those counties having a county equalization board composed of five (5) members, the members shall serve three-year staggered terms of office, with each expiring term to expire on the first Monday of June of each year, or until his or her successor is selected or appointed and qualified.

(B) However, on the first Monday in July, 1999, the terms of the present members of each county equalization board with three (3) or five (5) members shall expire and new members shall be appointed as is provided by law, and within thirty (30) days thereafter,

the five (5) new members shall meet and determine by lot their respective staggered terms in such a manner that one (1) member's term should expire one (1) year thereafter, two (2) members' terms should expire two (2) years thereafter, and two (2) members' terms should expire three (3) years thereafter;

(2)(A) In those counties having a county equalization board composed of nine (9) members, the members shall serve three-year staggered terms of office, with each expiring term to expire on the first Monday of June of each year, or until his or her successor is selected or appointed and qualified.

(B) However, on the first Monday in July, 1999, the terms of the present members of each county equalization board with nine (9) members shall expire and new members shall be appointed as is provided by law, and within thirty (30) days thereafter, the new members shall meet and determine by lot their respective staggered terms in such a manner that the terms of three (3) members each should expire one (1), two (2), and three (3) years, respectively, thereafter.

(b) (1) Upon the expiration of a member's term under the provisions of this section, the successor member shall be appointed or selected for a three-year term or until his or her successor is selected or appointed and qualified.

(2) Upon the expiration of the term of any member of any county equalization board or upon the vacancy of a membership of any county equalization board, the member to fill the vacancy shall be selected by the same group, either the directors of the several districts of the county, the members of the city and town councils of the cities and incorporated towns in the county, the county judge, or the county quorum court that made the selection of the member whose term has expired or has been vacated.

26-27-306. Oath of members.

(a) Each member of a county equalization board, before entering upon the discharge of his duties, shall take the oath of office prescribed in Arkansas Constitution, Article 19, Section 20, and further, that he will fearlessly, impartially, and faithfully equalize the assessed value of all property assessed and subject to taxation.

(b) The oath shall be subscribed and sworn to by each member of the board before the clerk of the county court, and the clerk shall make it a matter of record in his office.

26-27-307. Secretary of board.

(a) The clerk of the county court or his or her designee shall serve as secretary of the equalization board of his or her county and shall keep a complete and accurate journal of its proceedings and perform such other duties as may be by law required by the county equalization board.

(b) In addition, within ten (10) days after the appointment of the equalization board for the clerk of the county court's county, the clerk of the county court or his or her designee shall file from time to time with the Assessment Coordination Department a statement showing the name and address of each member of the board.

(c) When any change in the personnel of the county equalization board is made, the clerk of the county court shall immediately so advise the Arkansas Public Service Commission.

26-27-308. Compensation.

(a) The members of the county equalization board and the secretary thereof of the counties of this state shall receive for their services an amount to be fixed by the quorum court of the county.

(b) All compensation, together with expenses necessarily incurred by reason of official action of the board, shall be audited and paid by the county as other claims against the county are audited and paid.

26-27-309. Meetings.

(a) (1) The county equalization board shall meet on August 1 of each year at the office of either the clerk of the county court or the office of the county assessor.

(2) However, if August 1 falls on a Saturday, a Sunday, or a legal holiday, the meeting shall be held on the next business day which is not a Saturday, a Sunday, or a legal holiday.

(b) At the first meeting of the county equalization board, it shall organize by electing one (1) of its members as chair who, in addition to all other powers and duties conferred in this subchapter, shall have the power to administer oaths to witnesses appearing before the county equalization board.

(c) (1) In addition, the county equalization board shall exercise its functions as a board of equalization to equalize the assessed value of all acreage lands, city and town lots, other real property, and personal property subject to local assessment, regardless of the year in which the property was last assessed by the local county assessor.

(2) (A) Beginning August 1 of each year and continuing through October 1, the county equalization board shall meet as often as is necessary to consider the equalization of all property assessments and all requests for adjustments of assessments by taxpayers.

(B) (i) However, in a county where the assessed value of real and personal property has been found by the Assessment Coordination Department to be below the percentage of the true or fair market value as required by law, the meetings of the board shall continue until all property assessments are equalized and all requests for adjustments of assessments by taxpayers are considered.

(ii) However, the meetings shall not run later than the third Monday in November of each year.

(d) A majority of the members of the board shall constitute a quorum for the transaction of business.

26-27-310. Working groups.

County equalization boards consisting of nine (9) members may organize into working groups of three (3) members each for the purpose of making investigations and recommendations to be presented to and passed by the entire board sitting en banc. For this purpose, each group may select a group chairman who shall be vested with all the powers and duties pertaining to the work of his particular group as is vested in the chairman of the board.

26-27-311. Special sessions generally.

(a) (1) (A) On petition of the county judge or the county quorum court or on the county equalization board's own motion at any time after adjournment of its regular monthly meeting or after its equalization meetings from August 1 each year through October 1 and before the third Monday in November of each year, the county equalization board of any county shall convene in special session for the purposes of:

(i) Completing its work of the equalization of property assessments; or

(ii) Reviewing or extending its work of the equalization of property assessments.

(B) (i) For these purposes, the county equalization board shall be vested and charged with all the powers and duties with which the county equalization board is vested and charged when meeting in regular session.

(ii) In addition, the county equalization board shall be empowered to employ qualified appraisers, abstractors, or other persons needed to appraise properties which the county equalization board may need in the discharge of its duties.

(2) The petition to the county equalization board shall specify the date on which the county equalization board shall convene, and the county equalization board may thereafter exercise its functions but not later than the third Monday in November next following.

(b) (1) An appeal from the action of the county equalization board when in special session shall be to the county court in the manner as provided by law.

(2) Any appeal shall be filed within ten (10) days from date of notice of action by the county equalization board and shall be heard and order made by the county court not later than forty-five (45) days prior to the date on which the tax books for the year are required to be delivered to the county collector.

(c) (1) The expense of any special session of the county equalization board including the expense for employment of appraisers, abstractors, and other persons needed shall be allowed and paid from the general fund of the county.

(2) (A) The general fund of the county shall be reimbursed by transfer to it from the funds of the respective taxing units of the county.

(B) The amount to be contributed by each taxing unit shall be in the proportion that the total of the ad valorem taxes collected for the benefit of each taxing unit bears to the total of the ad valorem taxes collected for the benefit of all taxing units during collection period next following the special session.

26-27-312. Special session for purpose of planning work.

(a) (1) The equalization board of any county, on petition of the county judge or on its own motion, shall, at any time, convene in special session for the purpose of planning its work of equalization of property assessments.

(2) For this purpose only, the board shall be vested and charged with all the powers and duties with which the board is vested and charged when meeting in regular session. In addition, the board shall be empowered to employ qualified appraisers, abstractors, or other persons needed to appraise properties, which appraisal the board may need in the discharge of its duties.

(b) (1) The expense of any special session of the board, including the expense for employment of appraisers, abstractors, and other persons needed shall be allowed and paid from the general fund of the county.

(2) The general fund of the county shall be reimbursed by transfer to it from the funds of the respective taxing units of the county, and the amount to be contributed by each taxing unit shall be in the proportion that the total of the ad valorem taxes collected for the benefit of each taxing unit bears to the total of the ad valorem taxes collected for the benefit of all taxing units during the collection period next following the special session.

26-27-313. Attendance by assessor.

It is the imperative duty of the county assessor or his deputy to attend each session of the county equalization board and to furnish the board with all data and information in his possession pertaining to the location, amount, kind, and value of any property, the valuation of which is under consideration by the board.

26-27-314. Authority to classify and zone property.

The county equalization board of any county may classify the personal property and zone and classify the real property in the county and determine the average value of the property so classified or zoned, or units of them, and use the average value so determined as a guide in the equalization of assessments in the county. However, all property shall be assessed according to its value as provided by law.

26-27-315. Equalization of assessments.

(a) Immediately after the county assessor files his report of the assessment of real and personal property in the office of the clerk of the county court as required by law, the clerk of the county court shall present the report of the assessment to the county equalization board, and the county equalization board shall proceed to equalize the assessed valuation of the properties.

(b) For this purpose, county equalization the board shall observe the following rules:

(1) (A) It shall raise or lower the valuation of any property to bring about a complete equalization.

(B) It shall not raise or lower the valuation of any property without documenting the reason for raising or lowering the valuation of the property, and the documentation shall be attached to the appropriate property record card or cards.

(C) The reasons for lowering or raising the valuation of property shall be limited to:

(i) The assessment is unfair compared with other properties of the same kind similarly situated, evidenced by the fact that the property is assessed higher than neighborhood properties of the same use, size, materials, and condition;

(ii) The assessment is clearly erroneous, evidenced by the fact that the appraisal relies on substantially inaccurate or insufficient information concerning the property; or

(iii) The assessment is manifestly excessive or greatly exceeds what willing and knowledgeable buyers will pay similarly motivated sellers for the property, evidenced by selling prices of similarly situated properties.

(D) (i) It shall not raise or lower the value of any property without reviewing values of similarly situated properties.

(ii) If the same reason for raising or lowering the value of the property exists for those similarly situated properties, the values for those properties shall also be raised or lowered, and the changes shall be documented.

(E) It shall not materially change the records of the county assessor's office, but may only direct that the assessed value of property be raised or lowered in keeping with its documented findings;

(2) (A) In each instance where the county equalization board shall raise the valuation of any property, it shall immediately notify the owner or his or her agent by first class mail of the increase.

(B) However, all persons present before the county equalization board in person or by agent at the time the increase is ordered are there so notified and shall not be entitled to further notice.

(C) The notice shall state the valuation returned by the county assessor and the valuation fixed by the county equalization board and shall advise the owner or his or her agent that he or she may in person, by agent, petition, or letter apply for and receive consideration or hearing by or before the county equalization board if the application shall be made on or before the first Saturday next preceding the third Monday in September if in regular session for equalization or before the first Saturday next preceding the third Monday of November if meeting in special sessions; and

(3) In each instance in which an assessment is raised and the owner or his or her agent has applied for consideration or hearing for an adjustment of his or her assessment, if the county equalization board has failed to take action on his or her application before adjourning its regular session or if it fails to convene in special session to consider the application, then the county equalization board shall reduce all such increases to the assessed levels of the previous year.

26-27-316. Rights of examination.

(a) The county equalization board, or any member thereof, shall have free access to the records of the office of the county clerk and of the office of the circuit clerk and ex officio recorder of the county.

(b) (1) The board or any member may enter upon and view property, and may require witnesses to appear before the board and testify regarding the location, amount, kind, and value of any or all items of any class or character of property in the county.

(2) The secretary of the board, in vacation or in session, at the direction of the board or any member thereof, shall summon witnesses for examination by the board.

26-27-317. Applications for adjustment.

(a) Any property owner or an agent of a property owner may apply in person, by petition, or by letter to the secretary of the county equalization board on or before the third Monday in August of every year for the adjustment of the county assessor's assessment on the property owner's property or the property of another person.

(b) (1) A property owner or an agent of the property owner may personally appear before the county equalization board or pursue the appeal by supplying written documentation as to the adjustment desired.

(2) The property owner or an agent of the property owner shall notify the secretary of the county equalization board, who shall schedule a hearing, and, if practicable, the hearing shall be held at the convenience of the property owner.

(c) (1) The county equalization board shall begin hearing appeals no later than the second Monday in August.

(2) On at least one (1) day each week, appeals shall be heard after normal business hours to accommodate working property owners.

(d) (1) The county equalization board shall decide the merits of an adjustment of assessment application and notify the property owner of its decision in writing at least ten (10) business days after the hearing.

(2) The county equalization board's notification shall include:

(A) The county equalization board's decision;

(B) The right of the property owner to appeal the county equalization board's decision to the county court; and

(C) The deadline for petitioning the county court for a hearing.

26-27-318. Appeals to courts.

(a) (1) The county assessor or any property owner who may feel aggrieved at the action of the county equalization board may appeal from the action of the county equalization board to the county court by filing a petition of appeal with the clerk of the county court.

(2) The clerk of the county court shall summon the members of the county equalization board and issue such process as the county assessor, the county equalization board, or the county judge may request for witnesses and evidence of the amount and value of the property.

(b) No appeal to the county court shall be taken except by those who have first exhausted their remedy before the county equalization board, except for all cases in which the petitioner shall have had no opportunity to appear before the county equalization board.

(c) (1) An appeal must be filed on or before the second Monday in October of each year and shall have preference over all matters before the county court and shall be heard and an order made on or before the fifteenth day of November.

(2) (A) The county court shall notify in writing the property owner or county assessor of its decision no later than twenty (20) working days after the property owner's appeal hearing.

(B) The notification shall state the county court's decision and that the property owner may appeal the decision to the circuit court.

(d) No reduction shall be allowed except on evidence corroborative of that of the property owner.

(e) Upon an appeal, any property owner in the county may appear and be heard in support of or in opposition to the appeal.

(f) (1) (A) The county court shall acquire no jurisdiction to hear the appeal unless the county clerk shall have first given notice of the appeal by publication by one (1) insertion published not less than one (1) week before the date fixed for the hearing of the appeal in a daily or weekly newspaper published and having a bona fide general circulation in the county or in any county in which no daily or weekly newspaper is published, by posting a notice at the courthouse and in four (4) other conspicuous places in the county seat of the county for a period of not less than one (1) week before the date fixed for the hearing of the appeal.

(B) The notice shall state:

(i) The name of the parties taking the appeal;

(ii) The assessment complained of, together with a definite description of the property so assessed;

(iii) The name of the supposed property owner;

(iv) The time and place fixed for the hearing of the appeal; and

(v) That any property owner in the county may appear at the hearing of the appeal and be heard in support of or in opposition to the appeal.

(2) The notice of appeal may be in the following form:

"NOTICE OF APPEAL FROM TAX ASSESSMENT "

Notice is hereby given that .....
hereby appeals to the County Court of .....
County from an assessment on property described as follows:

Name of Supposed Owner	Description of Property	Amount of Assessment Complained of
.....		
.....		

Such appeal will be heard by the county court at .....
o'clock . . . . . *m.* at the courthouse at .....,
Arkansas, on the . . . . . day of . . . . . ., ..., and any owner of property in said county may appear at said hearing in support thereof or in opposition thereto."

….....

County Clerk

(g) It shall be the duty of the prosecuting attorney or his or her deputy, when called upon by the county assessor, a member of the county equalization board, or the county court, to represent the county and the state in the prosecution of all appeals before the county courts and the circuit courts.

26-27-319. Resolution of valuation adopted.

(a) Each county equalization board, immediately on the completion of its work of equalization and before final adjournment, shall adopt a resolution wherein it shall be stated the percentage of true market or actual value at which it has equalized the assessed values of the property of the county under its jurisdiction for the year.

(b) The resolution shall be signed by a majority of the members of the board. A copy of the resolution, together with an abstract of the adjusted assessment by total of items and value, shall be forwarded to the Arkansas Public Service Commission on or before the first Monday in October of each year.

26-27-320. Assessed values entered on record.

(a) It is the duty of the county clerk of each county to enter upon the assessment record of his county the adjusted or equalized assessed value of any and all property as found and fixed by the county equalization board.

(b) In making the tax books of the county, unless further adjustments are ordered by the county court or the State Equalization Board, the clerk shall extend the taxes on the adjusted or equalized values.

26-27-321. Abstract of tax books to be filed.

(a) The county clerk of each county shall, on or before the second Monday in November of each year, unless otherwise ordered and directed by the State Equalization Board, file with the board, on such forms as it may prescribe, a "Final Abstract of the Tax Books."

(b) The abstract shall show, by total of items and value, the total assessment of his county after all adjustments as may be ordered by the county equalization board and the county court have been made.

26-28-108. Delivery of tax books to collector.

(a) On or before February 1 of each year, the preparer of tax books of each county shall make out and deliver the tax books of his or her county to the county collector with the preparer of tax book's warrant attached, under his or her hand and the seal of his or her office, authorizing the county collector to collect the taxes.

(b) The collector shall give a receipt for the tax books, in which the amount of the different taxes shall be separately stated, and the county clerk shall file the receipt in the records of the county.

26-35-501. Time to pay -- Installments.

(a) (1) All ad valorem taxes levied on real and personal property by the several county courts of the state when assembled for the purpose of levying taxes, except taxes on the property of utilities and carriers and all ad valorem taxes on real property held in escrow, shall be due and payable on and from the first business day in March to and including October 10 in the year succeeding the year in which the levy is made.

(2) (A) Every taxpayer other than a utility or carrier shall have the option to pay the taxes on real property of the taxpayer in installments as follows:

(i) The first installment of one-fourth (1/4) of the amount of the taxes shall be payable on and from the third Monday in February to and including the third Monday in April;

(ii) A second installment of one-fourth (1/4) or a first installment of one-half (1/2) if no payment was made before the third Monday in April shall be payable on and from the third Monday in April to and including the third Monday in July; and

(iii) The third installment of one-half (1/2) shall be payable on and from the third Monday in July to and including October 10.

(B) A taxpayer who does not submit installment payments in compliance with this schedule shall be deemed to have waived the option to pay in installments.

(b) All ad valorem taxes levied on the real and personal property of utilities and carriers shall be due and payable as follows:

(1) One-fourth (1/4) shall be due and payable on and from the third Monday in February to and including the third Monday in April;

(2) One-fourth (1/4) shall be due and payable on and from the third Monday in April to and including the second Monday in June; and

(3) One-half (1/2) shall be due and payable on and from the third Monday in April to and including October 10 in the year succeeding the year in which the levy is made.

(c) (1) It shall be the duty of the collectors of the respective counties to assess a penalty of ten percent (10%) against all unpaid tax balances remaining after October 10 for every taxpayer other than a utility or carrier or after the prescribed dates listed in subsection (b) of this section for utilities and carriers.

(2) (A) No taxpayer paying in installments under subdivision (a)(2) of this section shall be assessed a penalty until such taxes become due and remain unpaid after October 10.

(B) However, if the last day for the payment of taxes on any installment is a Saturday, Sunday, or postal holiday, the last day to pay taxes without a penalty is the following business day.

(3) (A) A property tax balance payment is timely received under this subsection if mailed through the United States Postal Service and postmarked by October 10.

(B) If October 10 is a Saturday, Sunday, or postal holiday, a property tax balance payment is timely received if mailed and postmarked through the United States Postal Service the following business day.

26-39-201. Time for payment.

(a) (1) The county and probate clerk, circuit clerk, constables, sheriff, collector, and any other official in the State of Arkansas are required to pay over to the county treasurer of each county on the first of each month, or within five (5) working days thereafter, all funds in each of their hands belonging to the county or its subdivisions that are by law required to be paid into the county treasury, whether taxes, fines, or any moneys that are collected for any purpose by law and belonging to the county.

(2) The collector shall pay to the State Treasurer all moneys belonging to the State of Arkansas on the day mentioned in subdivision (a)(1) of this section.

(b) (1) This section does not mean that the collector shall make a distribution of taxes to all funds but that he shall settle with the county treasurer in a lump sum, and the county treasurer shall credit it to the collector's unapportioned account.

(2) Upon a certificate of the county clerk, which shall be issued on or before the thirtieth day of each month, the county treasurer will transfer to the various funds ninety percent (90%) of the advance payments made by the collector during the collecting period and, upon final settlement, the proper adjustments will be made with the various accounts and the balance remaining in the unapportioned account will be distributed upon order of the county court approving the final settlement of the collector.

Addendum 1

Selected Acts Summaries from 87th Arkansas General Assembly - 2009

Act 132 - an Act for the Assessment Coordination Department's supplemental appropriation.

Act 151 - to ensure that a homestead of a person who is disabled or sixty-five years of age is assessed for property tax on the lower of the assessed value at the time the taxpayer qualified for the property tax relief or a later assessed value.

Act 276 - to clarify that an assessment adjustment is applicable only to the year the assessment was made; to allow the appeal of a decision of the board when the petitioner failed to appear through no fault of the petitioner.

Act 277 - to provide an alternative date for the assessment of tangible personal property.

Act 278 - to remove the requirement for the completion of an original valuation of newly discovered and newly constructed personal property by July 1.

Act 287 - an act to amend various provisions of the Arkansas County Accounting Law of 1973.

Act 320 - to increase the minimum and maximum compensation for elected county officers.

Act 347 - concerning the designation of the preparer of county tax books.

Act 410 - to amend county sale, lease, and procurement procedures.

Act 421 - addresses the issues surrounding non-producing mineral rights and their value for property tax purposes. Due to the variety of factors that may or may not influence the value of non-producing mineral rights, the Act specifies non-producing mineral rights are deemed to have a value of $0. Property owners may voluntarily assess their mineral rights.

Act 531 - to repeal the law concerning the cost of collecting ad valorem taxes on mineral interests.

Act 569 - to give county officials administrative rights to county electronic information and records.

Act 599 - an Act for the Assessment Coordination Department appropriation for the 2009-2010 fiscal years.

Act 655 - an act to make various corrections to Title 26 of the Arkansas Code of 1987 Annotated.

Act 721 - to allow a Quorum Court that uses a computerized tax system to designate the appropriate county officer to prepare county tax settlements.

Act 764 - to provide guidance to county libraries concerning Arkansas constitution, Amendment 38.

Act 965 - to amend Title 6 related to public school finance.

Act 1186 - to provide for the timely and accurate receipt of data needed to calculate and adjust foundation funding amounts distributed to public school districts.

Act 1189 - to set out the procedure for Equalization Boards to follow when changing property values in a year when a county is not completing reappraisal.

Act 1397 - to enhance the quality of ad valorem tax data used for public school funding.

Addendum 2
Selected Act text adopted in the 87th Arkansas General Assembly In 2009
ACD Rule 4.29

Act 276 - To clarify that an assessment adjustment is applicable only to the year the assessment was made; to allow the appeal of a decision of the board when the petitioner failed to appear through no fault of the petitioner.

Act 1189 - To set out the procedure for equalization boards to follow when changing property values in a year when a county is not completing reappraisal.

ACD RULE 4.29 – Gives specific guidelines for Boards to follow when implementing Act 1189. Among the requirements are proving there is a problem, consulting with the Assessment Coordination Department for developing a solution to the problem, building a plan outlining the steps that will be taken to cure the problem and lastly making sure all steps comply with rules normally applied in a county reappraisal.

State of Arkansas *As Engrossed: H2/6/09*

87th General Assembly

A Bill

Regular Session, 2009 HOUSE BILL 1344

By: Representative Lovell

For An Act To Be Entitled

AN ACT TO CLARIFY THAT AN ASSESSMENT ADJUSTMENT BY THE COUNTY BOARD OF EQUALIZATION IS APPLICABLE ONLY TO THE YEAR THE ASSESSMENT WAS MADE; TO ALLOW THE APPEAL OF A DECISION OF THE BOARD WHEN THE PETITIONER FAILED TO APPEAR THROUGH NO FAULT OF THE PETIONER; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THAT AN ASSESSMENT ADJUSTMENT IS APPLICABLE ONLY TO THE YEAR THE ASSESSMENT WAS MADE; TO ALLOW THE APPEAL OF A DECISION OF THE BOARD WHEN THE PETITIONER FAILED TO APPEAR THROUGH NO FAULT OF THE PETITIONER.

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

SECTION 1. Arkansas Code § 26-27-317(a), concerning an application for adjustment of a current assessment by a county assessor, is amended to read as follows:

26-27-317. Applications for adjustment.

(a)<u>(1)</u> Any property owner or an agent of a property owner may apply in person, by petition, or by letter to the secretary of the county equalization board on or before the third Monday in August of every year for the adjustment of the county assessor's assessment on the property owner's property or the property of another person.

(2) The board may not adjust any assessment other than the assessment made during the year it meets to consider an application made under subdivision (a)(1) of this section.

SECTION 2. Arkansas Code § 26-27-318(b), concerning the appeal of a decision of the county equalization board, is amended to read as follows:

(b) No appeal to the county court shall be taken ~~except by those who have first~~ *unless the petitioner:*

(1) Has exhausted ~~their~~ his or her remedy before the county equalization board~~, except for all cases in which~~; or

(2) Was not sent the notice of value change as required by § 26-23-203 ~~the petitioner shall have had no opportunity to appear before the county equalization board~~.

/s/ Lovell

APPROVED: 3/03/2009

State of Arkansas
87th General Assembly
Regular Session, 2009

As Engrossed: H3/23/09

A Bill

HOUSE BILL 2147

By: Representative Lovell

For An Act To Be Entitled

AN ACT TO SET OUT THE PROCEDURE FOR EQUALIZATION BOARDS TO FOLLOW WHEN CHANGING PROPERTY VALUES IN A YEAR WHEN A COUNTY IS NOT COMPLETING REAPPRAISAL; TO CONSULT WITH THE ASSESSMENT COORDINATION DEPARTMENT TO UTILIZE DATA COMPILED UNDER THE ASSESSMENT COORDINATION DEPARTMENT'S SALES RATIO STUDY; AND FOR OTHER PURPOSES.

Subtitle

TO SET OUT THE PROCEDURE FOR EQUALIZATION BOARDS TO FOLLOW WHEN CHANGING PROPERTY VALUES IN A YEAR WHEN A COUNTY IS NOT COMPLETING REAPPRAISAL.

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

SECTION 1. Arkansas Code Title 26, Chapter 27, Subchapter 3 is amended to add an additional section to read as follows:

26-27-322. Change in market value — Board procedure.

(a) The purpose of this section is to:

(1) Set out the procedure for a county equalization board to follow when changing real property values in a year when a county is not completing reappraisal; and

(2) Require the county equalization board to consult with the Assessment Coordination Department to utilize data compiled under the department's sales ratio study.

(b) If in the judgment of the county equalization board or the county judge based upon current economic conditions a number of real estate parcels in a county may have decreased in market value since the last countywide reappraisal, then the county equalization board may by its motion or the county judge may petition for the county equalization board to enter into a special session to determine what action is needed under this section to address the decrease in market value.

(c) The county equalization board shall not take action as proposed in the special session under subsection (b) of this section until the county equalization board has:

(1) Consulted the county assessor on the proposed action in the special session;

(2) Consulted the department on the proposed action in the special session; and

(3) Analyzed the current real estate market in the county.

(d) The board may employ a professional appraisal manager to analyze the current real estate market in the county to fulfill its obligation under subdivision (c)(2) of this section.

(e) If the board determines in the special session that action is needed under this section, the board shall adjust market values of real estate in the county under the methodology established by the rules of the department.

(f) The Assessment Coordination Department shall promulgate rules to:

(1) Set out the procedure for a county equalization board to make a determination whether action is needed under this section; and

(2) Establish the methodology to be used when adjusting the market values of real property.

(g) If the county equalization board fails to follow the methodology to adjust real estate values as set out in the Assessment Coordination Department's rules, the couty equalization board shall be subject to withholding of funds from the Arkansas Real Property Reappraisal Fund under § 26-26-1907.

(h) A special session convened under this section is subject to the procedures for a special session of the county equalization board under § 26-27-312.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that several counties in the state are considering changing real estate values during a year the counties are not scheduled to complete reappraisal; that county equalization boards are empowered to make such changes; that county equalization boards have no guidance in the law on when to take action or the type of action that is appropriate under these circumstances. Without proper guidance, county equalization boards face the risk of unintentionally putting the county in noncompliance. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/ Lovell

APPROVED: 4/7/2009

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. At least 12 months of sales shall be used in the study.

        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. Examples are:

            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.

Addendum 3
ASSESSMENT COORDINATION DEPARTMENT OPERATIONS

Act 153 of 1955, as amended, outlines the basic functions and powers of the Assessment Coordination Division. Act 436 of 1997 created the Assessment Coordination Department and transferred the Assessment Coordination Division personnel and duties to the Department. A summary follows:

A. Prepare and furnish real estate assessment manuals for the use and guidance of county assessors and equalization boards. Such manuals shall contain information and procedures for the classification of lands, and the determination of land and improvement values.

B. Prepare and furnish personal property assessment manuals for the use and guidance of assessors and equalization boards. Such manuals shall contain information and procedures for the discovery and assessment of personal property and schedules or standards of values where practical.

C. Prescribe and furnish appraisal, assessment, and record forms for the uniform use of county assessors throughout the State.

D. Confer with and advise county assessors and equalization boards.

E. Hold and conduct such schools or instructional meetings for assessors and their deputies as may be deemed necessary.

F. Approve or disapprove county wide reappraisal plans submitted in accordance with Act 1185 of 1999.

G. Disperse payments for reappraisal work done in accordance with Act 1185.

H. Approve or disapprove the qualifications and work of appraisers or appraisal firms employed by taxing units.

I. Perform a ratio study for the purpose of determining the average ratio of assessed value to true and full market value of real property, by classifications, in each of the several taxing units in the valuation year of a reappraisal cycle.

J. Perform a ratio study for the purpose of determining the average ratio of assessed value to true and full market value of personal property in each of the several taxing units each year.

K. Direct and supervise corrective actions in counties with failed ratio studies.

L. On December 31, certify the percentage of assessed value in the counties to the county judge, assessor, and state officers that disburse state turn-back funds to counties.

M. Re-certify any taxing unit which was originally certified below the acceptable minimum at such time as the unit shows compliance.

N. Perform other duties and furnish other assistance to assessors and equalization boards as may be necessary to properly administer the Act.