

ASSESSMENT COORDINATION DEPARTMENT (ACD)
Agency (0490)
2011-13 BIENNIUM - ALC/JBC RECOMMENDATION

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Assessment Coordination Department (ACD) exercises general and complete supervision over the valuation, assessment and equalization of all locally assessed ad valorem taxes in Arkansas, and the local officials and employees administering them in all 75 counties. The Department confers with, advises, trains and directs, as needed, these officials regarding their duties and responsibilities for proper and equitable assessment of property.

TOTAL APPROPRIATION

The total appropriation recommendation for ACD for the 2011-13 biennium is \$18,777,588 each year.

FUNDING SOURCES

The total general revenue funding allocation recommendation for the 2011-13 biennium is \$2,450,000 each year which is an increase of \$2,000,000. The appropriations for ACD are funded by general revenue (13%), fund balances (3%), Cash and County Assessors Continuing Education Funding (less than 1%), Ad Valorem Taxes (10%) and the Real Property Reappraisal Fund funded by the Public School, Municipal Aid and County Aid Funds (74%).

II) SIGNIFICANT CHANGES

REAL PROPERTY REAPPRAISAL PROGRAM (APPROPRIATION 1VC)

This appropriation is funded by fund transfers from the Public School Fund, Municipal Aid Fund, County Aid Fund, and the Miscellaneous Agencies Fund Account, and provides funding for the Real Property Reappraisal Program in which the market value of real property in all 75 counties is refigured every three to five years. ACD provides reimbursements to counties for their reappraisal costs up to \$7 per parcel.

The recommended appropriation is \$15,750,000 each year which is an increase of \$750,000, and the recommendation also provides for continuation of special language allowing fund transfers from the Department's operating fund, Miscellaneous Agencies Fund Account, to the Real Property Reappraisal Fund and an increase in the maximum allowed fund transfer from \$750,000 to \$1,500,000.

ASSESSMENT COORDINATION - STATE OPERATIONS (APPROPRIATION 258)

This appropriation is funded by General Revenue and Ad Valorem taxes and is used for ACD's personal services and operating expenses. The total recommended appropriation is \$2,912,588 each year. An additional \$2 million in general revenue is recommended each year, to allow for a \$1.5 million transfer to ACD's Real Property Reappraisal Program appropriation and to offset expected reductions in Ad Valorem tax funding.

III) ADDITIONAL POSITIONS

Total Positions for 2011-13 Biennium: 36
Total Budgeted Positions for FY 2010-11: 36
Increase / (Decrease): 0

IV) SPECIAL LANGUAGE

FUND TRANSFER: Authorizes monthly fund transfers up to a total maximum of \$14,250,000 each year upon certification by ACD to the Chief Fiscal Officer of the State of the funding needed to pay for county reappraisals with 76% of the funding to be derived from the Public School Fund, 16% from the County Aid Fund, and 8% from the Municipal Aid Fund.

PARCELS: Requires ACD to reimburse counties and professional reappraisal companies monthly up to the maximum cost per parcel multiplied by the number of parcels in a county divided by the number of months in the county's reappraisal cycle, with ACD rules defining the term parcel.

MAXIMUM ANNUAL FUNDING FOR REAPPRAISALS/REVIEW: Establishes a maximum funding

level for the cost of reappraisals at \$7 per parcel based on actual appraisal cost, and further provides that counties shall use other taxing unit sources of revenue for any reappraisal costs that exceed \$7 per parcel.

CONCERNING TAX COLLECTION DATA NECESSARY TO MEET ADEQUACY: Provides for the forfeiture of reappraisal funding if preparers of the tax books do not report all necessary information to comply with the ACD Rule 5.03 - Uniform Reporting Of County Tax Settlements.

FUND TRANSFERS: Authorizes the transfer of up to \$1,500,000 each year from the ACD Miscellaneous Agencies Fund Account to the Real Property Reappraisal Fund after receiving Chief Fiscal Officer approval.

October 2010