

ASSESSMENT COORDINATION DEPARTMENT (ACD)

Agency (0490)

FISCAL YEAR 2014 & 2015 - Executive 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 BUDGET**

The total recommended budget for FY2014 is \$18,932,817 and \$18,935,043 for FY2015.

**FUNDING SOURCES**

The appropriations for ACD are funded by general revenue, fund balances, cash funds, County Assessors Continuing Education Funding, Ad Valorem Taxes and fund transfers to the Real Property Reappraisal Fund from the Public School, Municipal Aid and County Aid Funds and from the Department's Miscellaneous Agencies Fund Account.

**II) SIGNIFICANT CHANGES**

**REAL PROPERTY REAPPRAISAL PROGRAM (APPROPRIATION 1VC)**

This appropriation is funded by fund transfers authorized by special language:  
- \$14.25 million in fund transfers from three sources - the Public School Fund (76% of the transfer), County Aid Fund (16%), and the Municipal Aid Fund (8%)  
- Up to \$1.5 million in fund transfers from ACD's General Revenue Fund Account within the Miscellaneous Agencies Fund Account. This appropriation is used to pay counties and professional reappraisal companies for the costs of reappraisal of real property as required by law. The total recommended appropriation is \$15,750,000 each year which is a continuation of the base level.

**COUNTY ASSESSORS CONTINUING EDUCATION (APPROPRIATION 215)**

This appropriation is funded by a \$600 assessment paid annually by each county to provide educational courses for local assessment personnel. The total recommended appropriation is \$60,000 each year which is a continuation of the base level.

**ASSESSMENT COORDINATION-STATE OPERATIONS (APPROPRIATION 258)**

This appropriation is funded by general revenue and ad valorem taxes and is used to provide for the operating expenses of the Department and costs of assessor education and professional development recognition payments. The total recommended appropriation is \$3,067,817 for FY2014 and \$3,070,043 for FY2015 which is a total increase of \$113,000 each year for the following line items:

**Assessor's School** - Provides an increase of \$75,000 each year to provide training needed due to increased turnover of local assessment office personnel.

**Assessment Education Incentive** - Provides an increase of \$38,000 each year to provide professional development recognition payments to county assessors and county assessor office personnel as required by the Arkansas Code.

**CASH OPERATIONS (APPROPRIATION 99Z)**

This appropriation is funded by proceeds from selling property assessment and appraisal publications and by tuition paid by private citizens who enroll in ACD's assessment and appraisal courses. The appropriation is used to purchase educational materials, defray printing costs, and pay for evaluations of agency methods and procedures. The total appropriation recommended is \$55,000 each year which is the continuation of the base level.

**III) ADDITIONAL POSITIONS**

Total Positions for FY 2015: 36  
Total Positions for FY 2014: 36  
Total Budgeted Positions for FY 2013: 36  
Increase / (Decrease): 0

**IV) SPECIAL LANGUAGE**

**FUND TRANSFER:** Authorizes monthly fund transfers up to a total maximum of \$14,250,000 each year to the Arkansas Real Property Reappraisal Fund 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.

**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.

**ADDS THE FOLLOWING NEW LANGUAGE - TRANSFER PROVISION:** Authorizes ACD, upon Chief Fiscal Officer approval, to transfer appropriation from the Operating Expenses line item in the State Operations appropriation to the Assessor's School special line item to assure sufficient resources are available to train assessment personnel.

October 2012