

## RULE 3.26

### DESIGN OF PROPERTY RECORD CARDS

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

#### City and Rurban Cards:

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

#### Rural Cards:

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

Revisited Date, Revisited By

Commercial/ Industrial Cards:

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

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

**Inspected By** refers to the appraiser who did the initial on-site verification of property characteristics as a part of reappraisal progress, or the appraiser who did the inspection tasks using approved technology, and it is usually represented by initials or a code. When an appraiser in training or otherwise unqualified in some aspect of data collection is accompanied or followed-up by the qualified appraiser, the less qualified appraiser's initials will appear in the "Inspected By" field and the qualified appraiser's initials will appear in the "Revisited By" field.

**Entered Date** refers to the date of data entry resulting from data collection on the

reappraisal inspection date.\*

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

\*Entered date/entered by shall not change with subsequent data entry during the reappraisal.

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

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

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

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

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

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

### RULE 3.30

#### **MINIMUM ACCEPTABLE STANDARDS FOR PERFORMANCE AUDITS**

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

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

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

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

Individual perimeter measurements of one-story dwellings must be accurate within one foot. Estimated measurements will be allowed for additional levels and for items such as driveways or fences, but these estimates should be based on techniques resulting in reasonable accuracy.

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

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

*Adopted 10/01/99*

*Amended 12/20/00*

*Amended 3/03/02*

*Amended 07/05/04*

### **RULE 3.31**

#### **FAILURE TO COMPLY WITH STANDARDS OF PERFORMANCE AUDIT**

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

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

Value-related elements are considered significant for these purposes when they

are estimated to affect market value by \$2,000 or more. An insignificant problem can become significant when the county or appraisal firm fails to correct the problem.

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

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

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

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

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

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

*Adopted 10/01/99*

*Amended 4/2/01*

*Amended 3/3/02*

*Amended and implemented 4/9/04 by emergency procedure*

*Amended 07/05/04*

*Amended 12/20/06*

### RULE 3.39

#### **BIDS REQUIRED FOR CONTRACTED REAPPRAISALS**

Each county that contracts reappraisal services will be required to advertise for bids for the planned reappraisal and to mail, fax, or email a copy of the notice/bid invitation to all companies listed on the ACD Annual Register of Appraisal Companies at the time of advertising. The notice/invitations to bid shall include the number of parcels, the time/date deadline for submitting bids (not less than 10 working days from the day the notice/invitations to bid are mailed out) and that any bids submitted by a contractor that do not meet the ACD approved specifications shall be rejected by the county. The notice/invitation to bid shall also include a statement that the contractor may obtain a copy of the bid specifications by contacting the County Assessor and requesting that the specifications be mailed, emailed, or faxed to him. Along with the notice/invitation the county shall include a contractor response form. The response form shall contain at least the following options for the contractor to check. 1. This contractor wishes to bid on this reappraisal and a bid is enclosed. 2. This contractor does not wish to bid on this reappraisal but wishes to receive all bid notices/invitations in the future. Space should be provided for any comments the contractor wishes to make. The response form must be signed by an authorized representative of the contractor.

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

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

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

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

1. Contractor Register information provided to ACD in compliance with ACD Rule 4.05, upon request.
2. The total cost of each contract that each contractor currently has in force.
3. Ratio study results in the counties where each contractor has completed reappraisal in the preceding two years.
4. The number of findings by the ACD that each contractor was out of compliance during ACD procedural audits in the preceding twenty-four months.
5. The number of instances during the preceding twenty-four months that each contractor has had a contract terminated or funding for the county terminated by the ACD.

*Adopted 10/01/99*

*Amended 12/20/00*

*Amended 3/03/02*

*Amended 07/05/04*

#### **RULE 3.40**

#### **PAYMENT IN KIND SERVICES**

~~All reappraisal contracts will allow for "payment in kind" services to be provided by county employees who participate in the reappraisal. This provision will require the appraisal contractor to reimburse the county for work contributed to the reappraisal project by county employees, on a pre-agreed basis. The provision will also provide for the appraisal contractor to have reasonable control over those employees regarding job duties, expected production, and work quality. The provision will also allow the appraisal contractor to reject poor quality work performed by a county employee, which will relieve the contractor of any obligation to pay for such work.~~

*Adopted 10/01/99*

#### RULE 4.04.1b

#### RATIO STUDY REQUIRED DATES

1. January 31. By January 31 of each year *all* counties shall submit to ACD an electronic list of all warranty deeds and special warranty deeds. For counties with 50,000 or more parcels this list shall include all warranty deed and special warranty deed sales of vacant and residential parcels for the *prior* calendar year and all warranty deed and special warranty deed sales of commercial and industrial properties for the prior *two* calendar years. For all other counties the submission shall include all vacant and residential warranty deed and special warranty deed sales for the prior *two* calendar years and all warranty deed and special warranty deed sales of commercial and industrial properties for the prior *three* calendar years. Each sale shall contain the following items.

- Parcel number
- Section, township, and range or subdivision
- The existing land, building, and total value of the property before consideration of value caps, partial exemptions, etc.
- The primary use code of the property
- Market area
- Neighborhood-actual neighborhood used in location analysis
- School district
- The land size and unit of measurement (acres, square feet, etc.)
- The living area, construction grade, grade adjustment factor, year built if available, and effective age or remaining economic life percentage of the primary building in the case of residential properties
- The Marshall & Swift building class code (A, B, C, D, or S), occupancy type code, gross building area, year built, effective age, and remaining economic life in the case of commercial and industrial properties
- The sale date, deed book and page, deed type, grantor, grantee, and sale validation code for the most recent warranty or special warranty deed sale of the property
- The sale price and any adjustments to the price for personal property, etc.
- Sales/Ratio related comments
- Location Factor

The file shall contain one row per property and must be in ASCII fixed field, ASCII comma separated value (CSV), Excel, or Quattro Pro format, or in a format that is directly compatible with Excel.

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



3. April 1. By April 1 ACD will determine appropriate time adjustment factors for each county for each of the three major property classifications described in 1.4 above based on sales submitted by the county and provide the results to the county.
4. June 1. By June 1 counties must notify the ACD of any disagreements with its time adjustment factors and submit any requested changes or modifications to the adjustments. (See also 4.04.1d.1 and 4.04.1d.2 below.)
5. July 1. By July 1 counties conducting revaluations shall submit to ACD an electronic file of all real property appraised on a market value standard. The file shall include the following items for each property:
  - Parcel number
  - Section, township, and range or subdivision
  - The new land, building, and total value of the property before consideration of value caps, partial exemptions, etc.
  - The prior land, building, and total value before consideration of value caps, partial exemptions, etc.
  - The primary use code of the property
  - Market area
  - Neighborhood- actual neighborhood used in location factor analysis
  - School district
  - The land size and corresponding unit of measurement
  - The living area, construction grade, grade adjustment factor, year built if available, and effective age or remaining economic life percentage of the primary building in the case of residential properties
  - The Marshall & Swift building class code (A, B, C, D, or S), occupancy type code, gross building area, year built, effective age, and remaining economic life in the case of commercial and industrial properties
  - The sale date, deed book and page, deed type, grantor, grantee, and sale validation code for the most recent warranty or special warranty deed sale of the property
  - The sale price and any adjustments to the price for personal property, etc.
  - Sales/Ratio related comments
  - Location Factor

The file shall contain one row per property and must be in ASCII fixed field, ASCII comma separated value (CSV), Excel, or Quattro Pro format, or in a format that is directly compatible with Excel.

6. ~~August 1. By August 1~~ September 15. By September 15 ACD shall prepare a final ratio study for each evaluation county setting forth the level and uniformity of assessments in the county for the revaluation year.

RULE 4.04.1c

**SALES USED IN RATIO STUDIES**

1. Sales time frame. In counties with at least 50,000 real property parcels, the ratio study will use *one* year of sales for vacant and residential properties and *two* years of sales for commercial and industrial properties. For all other counties the study will use *two* years of sales for vacant and residential properties and *three* years of sales for commercial and industrial properties.
2. Audit of county submissions. The ACD will compare county sales submissions against records maintained by county recorders to ensure that all warranty deeds have been timely submitted.
- 3a. Sales validation codes. Counties shall assign one of the following validation codes to each sale to be included on all sales submitted to ACD.

00	UV	Un-validated sale
01	VS	Valid sale
02	GO	Sale to or from a government agency
03	CH	Sale to or from a charitable, religious, or educational institution
04	FI	Sale in which a financial institution is the buyer in lieu of foreclosure, or in which a financial institution is the seller and the property is not exposed to the open market
05	RL	Sale between related parties( <u>Ex. Family transaction, employer/employee transaction, inter-company transaction</u> )
06	CV	Sale of convenience, e.g., to correct a title defect or create a joint tenancy
07	ES	Sale settling an estate
08	FS	Forced sale – seller is sheriff, receiver, or court officer
09	DT	Sale of doubtful title
10	TR	Sale involving a trade
11	PI	Sale of a partial interest in the property
12	CT	Sale involving a land contract (including payoff of the contract)
13	CS	Significant improvement (e.g., room addition or renovation) to a

		property between sale date and assessment date
14	AS	Assemblage sale – purchase of an adjoining property at a premium price
15	MU	<del>Sales of multiple properties that <b>fail</b> to constitute an economic unit</del> <u>of multiple properties</u> (includes bulk sales of properties to a developer or builder)
16	PP	Sale involving personal property of significant but undeterminable value (see discussion in 4.04.1d.3)
17	<del>OTF</del>	Sale involving non-market financing or other non-real estate considerations of significant but undeterminable value (see discussion in 4.04.1d.4)
18	FD	Future Development/Sale includes new dwelling to be assessed
19	MH	Sale includes mobile home
20	AL	Land priced as AG/ not priced at market value
<del>21</del>	<del>DV</del>	<del>Sale impacted by divorce</del>
<del>22</del>	<del>IS</del>	<del>Sale amount insufficient to be used in sales analysis</del>
23	NM	Property not listed for sale on open market
<del>24</del>	<del>RC</del>	<del>Relocation/Buyback</del>
<del>25</del>	<del>VA</del>	<del>Primary parcel of a group of parcels that have sold</del>
<del>26</del>	<del>AP</del>	<del>Additional parcels that are linked to the primary parcel</del>

3b. Information codes considered valid sales.

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

4. Audit of county validation codes. The ACD will audit a random sample of at least 50 sales submitted by each revaluation county to ensure that validation codes have been correctly assigned. The sample will include an equal number of sales coded as valid and invalid by the county. The ACD shall share its audit findings with the county and the county shall have an opportunity to dispute its findings. If the ACD determines that more than 10% of sampled vacant, residential, or commercial/industrial sales are incorrectly coded, it shall not use validation codes submitted by the county for that property class, but rather shall use electronic edits, select and validate a random sample of sales, or take other measures deemed appropriate to ensure a valid study.

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

6. Use of most recent sale. If more than one valid sale occurs for a property during the time frame of the study, only the most recent sale shall be used in the study.
7. Multiple parcel sales. Sales of multiple parcels that constitute a single economic unit should be included in the study by summing the assessments and comparing the total assessed value with the sale price. Such sales should be screened in the same manner as individual parcel sales to determine whether they represent legitimate representations of market value.
8. New construction sales. To help ensure that vacant land sales are not compared with assessments that reflect recent improvements and to prevent the study from being disproportionately influenced by new construction, sales involving new construction (e.g., as indicated by the year built) shall not be used in the ratio study.
9. Low-value properties. ~~The lowest 10% of residential assessed values, the lowest 10% of commercial/industrial assessed values, and the lowest 10% of vacant land assessed values shall be excluded from the study.~~ The lowest 10% of residential assessed values and the lowest 10% of commercial/industrial assessed values shall be excluded from the study. The lowest 10% of vacant land assessed values or all vacant land assessed values less than or equal to \$400 (\$2000 full value), whichever is higher, shall be excluded from the study. These properties will be removed prior to conducting electronic edits.
10. High-value commercial properties. Any property that constitutes more than 5% of the total assessed value of commercial and industrial properties in a county will be excluded from the study. These properties will be removed prior to electronic edits.
11. Electronic edits. The ACD may conduct statistical-based edits to filter properties with atypical features, sales prices, or assessment-to-sale ratios from the study. Not more than approximately 5% of sales shall be filtered from the study based on ratio alone.
12. Appraisals. In order to achieve adequate sample size and representativeness for commercial and industrial properties, the ACD may appraise a random sample of such properties. All three approaches to value shall be considered. The approach emphasized in a particular appraisal shall be appropriate for the type of property in question. The assessor and appraisal contractor shall be afforded an opportunity to review the appraisals and to submit information supporting different value conclusions. Conflicts will be resolved by an independent third party.

review if different value conclusions will materially affect the outcome of the study. The appraisal will serve as surrogate commercial/industrial sales in the study. The ACD will not conduct appraisals of vacant or residential properties.

#### **RULE 4.08.1**

#### **DEFINITIONS RELATING TO AMENDMENT 59 AND ACT 848 OF 1981**

The following definitions relate to amendment 59 to the Arkansas Constitution: Act 1981, No. 848.

1. REAPPRAISAL - The estimating of value of all taxable real property within the county as of a given date within a given time frame.
2. MASS APPRAISAL - Estimating the value of a group of properties as of a given date, within a given time frame using generally accepted techniques.
3. REASSESSMENT - Process of placing reappraisal values in the official assessment record.
4. COUNTY-WIDE REAPPRAISAL - Mass appraisal of certain classes of properties within a county, provided those other classes of property not reappraised have had their values reviewed and are currently assessed at acceptable levels.
5. PREVAILING VALUE - Value of a property as determined by the existing appraised values of other similar properties in the county.
6. NEWLY DISCOVERED PROPERTY - Property that has never been on the assessment roll.
7. NEW CONSTRUCTION AND IMPROVEMENTS - Changes to property that have occurred to property already on the assessment roll.
8. BASE YEAR - Year when reassessed values are entered on assessment roll.
9. MARKET VALUE - Most probable sale price of a property in terms of money in a competitive and open market, assuming that the buyer and seller are acting prudently and knowledgeable, allowing sufficient time for the sale, and assuming that the transaction is not affected by undue pressures.
10. BONA FIDE AGRICULTURAL LAND - Land that is devoted to the production of commercial quantities of plant products to be used for human consumption, animal feed, or as a textile.

11. BONA FIDE PASTURE LAND - Land to benefit grazing animals, or growing forage crops with the intent of selling or storing for future use.
12. BONA FIDE TIMBER LAND - Forest land that is producing, or capable of producing, crops of industrial wood and is not withdrawn from timber utilization (Appendix, pg 30, "*Forest Resources of Arkansas*" Southern Forest Experiment Station, Resource Bulletin SO-169, Feb. 1992).

~~The following definitions apply to Amendment 79 to the Arkansas Constitution.~~

- ~~1. CHANGE IN USE The terms "newly discovered" and "newly constructed" as contained in Arkansas Constitution Article 16, Section 12 and Amendment 79 shall be construed to include change in use.~~
- ~~2. SUBSTANTIAL IMPROVEMENT TO REAL PROPERTY The term "substantial improvements to real property" as used in Amendment 79, Sections 1(b) (2) and (1) (c) (2) means:~~
  - ~~1. Renovation, reconstruction, and refurbishment occurring to further a change in the use and/or class of an improvement. Upon completion of the renovation, reconstruction or refurbishment the assessor shall note the change in use and reappraise the improvement based upon its prevailing market value in the following assessment year. If multiple improvements reside on the parcel, only those that have been renovated, reconstructed or refurbished shall be reappraised and the remainder shall continue to be valued in accordance with Amendment 79, Sections 1(b)(1), 1(c)(1) or 2(b) whichever is appropriate.~~
  - ~~2. Renovation, reconstruction, and refurbishment occurring that will add 25% or more to the contributory value of an improvement to the property. Upon completion of the renovation, reconstruction or refurbishment the assessor shall note and document the contributory value increase and reappraise the improvement based upon its prevailing market value in the following assessment year. If multiple improvements reside on the parcel, only those that have been renovated, reconstructed or refurbished shall be reappraised and the remainder shall continue to be valued in accordance with Amendment 79, Sections 1(b)(1), 1(c)(1) or 2(b) whichever is appropriate.~~

~~The term "substantial improvements to real property" as used in Amendment 79, Sections 1(b)(2) and (1)(c)(2) does not include normal maintenance on an improvement intended to only maintain its existing utility.~~

*Adopted 10/01/99*

*Amended 12/20/00*

*Amended 07/05/04*

RULE 4.08.2

**DEFINITIONS RELATING TO AMENDMENT 79**

1. CHANGE IN USE - The terms "newly discovered" and "newly constructed" as contained in Arkansas Constitution Article 16, Section 12 and Amendment 79 shall be construed to include change in use.
  2. SUBSTANTIAL IMPROVEMENT TO REAL PROPERTY- The term "substantial improvements to real property" as used in Amendment 79, Sections 1(b) (2) and (1) (c) (2) means:
    - a. Renovation, reconstruction, and refurbishment occurring to further a change in the use and/or class of an improvement. Upon completion of the renovation, reconstruction or refurbishment the assessor shall note the change in use and reappraise the improvement based upon its prevailing market value in the following assessment year. If multiple improvements reside on the parcel, only those that have been renovated, reconstructed or refurbished shall be reappraised and the remainder shall continue to be valued in accordance with Amendment 79, Sections 1(b)(1), 1(c)(1) or 2(b) whichever is appropriate.
    - b. Renovation, reconstruction, and refurbishment occurring that will add 25% or more to the contributory value of an improvement to the property. Upon completion of the renovation, reconstruction or refurbishment the assessor shall note and document the contributory value increase and reappraise the improvement based upon its prevailing market value in the following assessment year. If multiple improvements reside on the parcel, only those that have been renovated, reconstructed or refurbished shall be reappraised and the remainder shall continue to be valued in accordance with Amendment 79, Sections 1(b)(1), 1(c)(1) or 2(b) whichever is appropriate.
- NOTE:** "substantial improvements to real property" as used in Amendment 79, Sections 1(b)(2) and (1)(c)(2) does not include normal maintenance on an improvement intended to only maintain its existing utility.
3. FULL VALUE, (aka market value or appraised value), is a property's most probable selling price or current value estimate as of the statutory valuation date.
  4. FULL ASSESSED VALUE (aka Assessed Value), is equal to 20% of the Full Value.
  5. TAXABLE ASSESSED VALUE, is the value after the limitations to assessed value increases contained in Amendment 79 to the Arkansas Constitution

are applied. Taxable Value will be less than or equal to Assessed Value.

*Paragraphs 1, 2, and note adopted*

*10/01/99 as part of Rule 4.08.1*

*Amended 12/20/00*

*Amended 7/5/04*

*Paragraphs 3, 4, and 5 proposed by*

*Work Group 6/5/08*