

## 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. Some may be...
      1. Valid sales
      2. Long term listings
      3. The influence on market value of any foreclosure related sales
    - iii. The equalization board shall document the level of evidence necessary for adjustment to be considered. Examples are...
      1. Number of sales/listings
      2. Average number of days on market
  - d. The equalization board shall document a plan for adjusting values in such neighborhoods.
    - i. Determine the target ratio.
    - ii. Determine what information will be used to develop revised values. Examples are...
      1. Valid sales
      2. Long term listings
      3. The influence on market value caused by any foreclosure related sales
    - iii. Determine the amount of information necessary to develop a credible value.

1. Number of sales/listings
    2. Average number of days on market
  - e. The equalization board shall document a plan for public relations related to revised values. Some actions to consider are...
    - i. Conversations with affected taxing entities
    - ii. Press releases
    - iii. Talking to reporters at Equalization Board meetings
    - iv. Notices/letters to property owners by a certain date
  - f. The equalization board shall document a plan for board adjustments to adjusted values during the appeals process.
- 3) Once a plan of action is developed, and prior to any actual value adjustments being made, the equalization board shall present the plan to ACD along with proposed values for each parcel.
- a. The equalization board shall include documentation regarding how they developed their plan and why the plan was chosen as the most appropriate.
  - b. After discussion with the equalization board and/or its representatives, the ACD will approve or disapprove the plan as is or approve the plan contingent upon specific requirements being met.
- 4) All analysis and/or adjustments shall be done in accordance with standard ACD reappraisal rules and regulations, including oversight by a qualified appraisal manager.