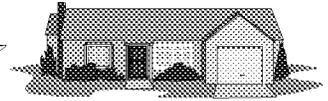
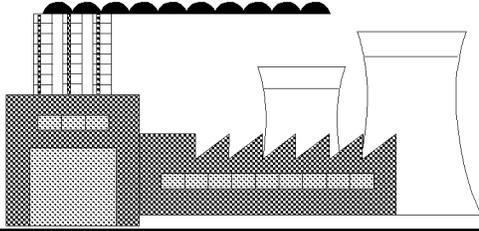


PROPERTY TAX NEWS



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STATE REAL PROPERTY TAX RATE SET

The 2001 state real property tax rate has been set at 13.6 cents per \$100 of assessed valuation. Under House Bill 44, the rate must be reviewed each year and adjusted to ensure that no more than a 4 percent cumulative increase in revenues is realized over the previous year. The 2001 rate of 13.6 cents per \$100 valuation represents nearly a 3.5 percent reduction from the 2000 rate of 14.1.

According to Revenue Cabinet Secretary Dana Mayton, "The estimated total real property assessment for the 2001 tax year is approximately \$144 billion, up from \$133 billion in 2000. The major categories include an estimate of \$90.4 billion for residential property assessments, \$36.6 billion for commercial property assessments and \$12.9 billion for farm assessments."

The establishment of the 2001 tax rate will enable those counties certified by the Revenue Cabinet to proceed with tax bill preparation once the local rates are set.

HAYDON ACCEPTS POSITION IN GOVERNOR'S EXECUTIVE CABINET

Revenue Cabinet Secretary Mike Haydon announced his resignation on June 15 to accept the position of Deputy Secretary in Governor Paul Patton's Executive Cabinet.

Haydon has a long background in state government and with the Revenue Cabinet, including serving as Commissioner of the Department of Property Valuation from April 1996 until December 1998 and Washington County PVA from 1985 - 88.

Dana Mayton was appointed by Governor Patton to replace Haydon as Secretary. Mayton is a graduate of Arkansas State University and the University of Arkansas at Little Rock School of Law. At the time of her appointment Mayton was the Commissioner of the Department of Law, a position she had held since February 1999.

PVA SUMMER CONFERENCE AGENDA FINALIZED

The agenda has been finalized for the 2001 PVA Summer Conference in Owensboro. Registration will begin Monday afternoon at 3:00. Daviess County PVA Ron Durbin is hosting a reception at the Moonlight from 5:00 until 7:00 p.m. Don't forget to return the RSVP form you received in your packet if you plan to attend. Five concurrent workshop sessions will be held Tuesday morning featuring the following topics: MOTAX, Mapping Issues, Retirement, Websites, and a Subsidized Housing Appeals Update. The conference will conclude on Thursday with a presentation by the Revenue Cabinet at 9:00 a.m. and an association meeting that afternoon. Revenue Cabinet Secretary Dana Mayton will be present on Thursday to speak at the Cabinet presentation, which will also feature Larry Disney of the Real Estate Appraisal Board, Joe Lancaster, Nick Kearney, Mike Tackett, Greg Bell and Commissioner Vince Lang. A banquet and dance will be held Thursday night beginning at 7:00 p.m.

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EDUCATION UPDATE

Anyone interested in attending IAAO 151, Standards of Practice and Professional Ethics, or IAAO 600, Principles and Techniques of Cadastral Mapping, should send in their registration as soon as possible. These classes are in danger of being cancelled due to low enrollment.

The following classes are closed:

- Kentucky 8 July 31 - Aug. 2
- Kentucky 5 Aug. 21-23

The TRIM staff will conduct one-day workshops for those counties printing tax bills using the TRIM system August 7, 8, 9, and 10. Classes will be held in the 200 Fair Oaks Building, Training Room F. To register, complete a registration form and fax it to (502) 564-8368.

PVAs recently received a survey asking about the education schedule (starting on Monday afternoon vs. Tuesday morning). If you have not already done so, please return this survey by July 13 to Debbie Boyd. You may fax it to (502) 564-8368. We have received many comments regarding the old vs. the new schedule, so if you have an opinion, this is the chance to be heard!

HB 538 Update

Don't get caught off guard! PVAs will soon receive a letter informing them of the status of their education hours. Remember that PVAs may earn up to 15 hours at the fall conference in November. **THAT IS THE LAST OPPORTUNITY YOU WILL HAVE TO EARN HOURS FOR THE YEAR. HOURS EARNED AFTER NOV. 30 COUNT FOR 2002.** PVAs who attend the IAAO conference in Florida may earn hours if they submit proof of attendance. PVAs who attended the GIS Conference in May should turn in your Education Program Credit Form (or other proof of attendance) in order to receive credit for attending the

conference. Hours earned this year will carry over into 2002; **however hours earned in 2002 will not carry over into 2003.** PVAs should also keep in mind that hours do not carry over under KRS 132.597.

The Governor's Local Issues Conference, being held August 13 - 15 at the Galt House in Louisville, has been approved for hours. Information on the conference can be obtained from Beth Mills at the Department for Local Government at 800-346-5606, or on their website, www.kylocalgov.com.

To receive credit for training not sponsored by the Department, IAAO, the Kentucky Association of County Officials (KACO), or the Governmental Services Center, PVAs must submit a "Request for Training Credit" form. This form is available from the Department and must be submitted to the Education and Research Branch 14 days prior to the event. Students attending an event not sponsored by the Department must show proof of attendance (certificate or sign-in sheet) in order to receive credit. PVAs with questions concerning hours can call the Education Branch at (502) 564-8340.

More information about the conference, including a registration form if you did not receive one, can be found on the IAAO website, www.iaao.org. Questions regarding the conference can be directed to the IAAO at 800-616-IAAO.



NEWS FROM THE PVA ADMINISTRATIVE SUPPORT BRANCH

Submitted by Kim Holt

We are pleased to have Donna Seeberger back in the office. Donna came back to work in April after taking off to care for her husband.

The budget requests for fiscal year 2001/2002 were mailed out on May 17th and as of July 1, 86 have been received and approved. The budget requests were due back by June 1. If you have not done so, please return them as soon as possible so that we may complete this phase of the budgetary process. We included in the budget packet a small survey form that we would appreciate each office completing. We are anticipating the development of a new Time and Attendance program and these surveys will help us in determining what software each office has access to in the future.

The office is currently working on revisions to the PVA Administration Manual and we hope to have these mailed out to the offices by summer conference. We will also be conducting a workshop at the conference to cover retirement issues and the Governor's Wage Equity Program that went into effect July 1. We would like to have at least one employee from each county and anyone considering retirement attend this workshop.



ON THE HORIZON: MIAMI BEACH!!

"Linking Our Horizons" is the theme of the 2001 IAAO Conference being held September 9 - 13 at the Fontainebleau Hilton in Miami Beach, Florida.

Regular members of IAAO should have received information about the conference, including a registration form. Members will receive a discount if they register by July 21, 2001. PVAs who attend conference workshops can receive credit toward their hours of education if they have verification of attendance (IAAO recertification credit form).



KENTUCKY REVENUE CABINET WINS SPECIAL ACHIEVEMENT IN GIS AWARD

By Nick Kearney

The Kentucky Revenue Cabinet has been selected to receive the "Special Achievement in GIS" award by Environmental Systems Research Institute (ESRI). This award, to be presented at the ESRI User Conference in San Diego, California on July 12, is being given to user sites around the world in recognition of their outstanding work in the Geographic Information Systems (GIS) field.

GIS is a multi-purpose automated mapping system that enables users to manipulate layers of information with associated geographically referenced data. More than any other type of computer application, GIS holds the potential to integrate numerous government functions as varied as emergency services, planning and zoning, natural resources, transportation and revenue functions. The Revenue Cabinet, chosen from among over 100,000 users worldwide, is honored to receive this award. ESRI software is the approved state standard GIS software as recommended by The Commonwealth of Kentucky Enterprise Standards.

The Special Achievement in GIS Award marks a milestone in the Cabinet's efforts to incorporate GIS technology into the property tax system. Over the past five years, GIS has experienced a remarkable proliferation through Kentucky's Property Valuation Administrator (PVA) offices. In 1996, only PVAs in the state's three major urban areas (Louisville, Lexington, and Northern Kentucky) utilized functional GIS. Now, half of the state's 120 counties are registered users of ESRI products. Parcel digitizing, the laborious process of converting paper property identification maps to computer records, is underway in 40 counties, with maps scanned prior to digitizing in 72 counties. Along with GIS, property tax systems are being modernized with digital photography and other taxpayer friendly improvements such as websites.

How did the seeds get sown for this revolution? Solicitation of grant money has played a major role in the Cabinet's

strategy. In 1996, the Cabinet proposed to establish a pilot GIS project in one county (Garrard) and was awarded a grant from the Kentucky Information Resources Management Commission, which with matching state and local funds totaled \$70,000. The Garrard County project was a complete success, with its highly accurate global positioning systems (GPS) based methodology subsequently replicated in numerous other counties, and became the subject of presentations at several national conferences. ESRI grants of software and user training were also awarded to five other Kentucky PVA offices in the late 1990's. In 1996 and 1997, the Cabinet's Department of Property Valuation, in cooperation with the Kentucky PVA Association, created the Innovative Technology Fund Grant Program for PVAs proposing technological innovations. Under this program, an investment of over \$500,000 (including local matching funds) was made in 21 local innovative technology projects submitted by PVAs, of which fifteen were directly related to GIS installations. These grants gave a jump start to GIS all over the state, from the Mississippi River (Ballard County) to the Virginia border (Pike County).

Other than the grant money paid directly to the recipient local officials, the Department is supporting the PVAs' GIS efforts without a penny of additional funding. Fewer than six positions are dedicated full-time to GIS support, but these individuals cover a lot of territory. Each staff member of the Department's field compliment of seventeen persons has also been assigned to monitor and assist GIS efforts in seven to nine counties. The Department purchased a large format scanner last year, which has been traveling across the state in an effort to produce faster images of PVAs' property identification maps on site. This eases some anxiety for the PVAs, many of whom were reluctant to give up their maps even temporarily, as some of the older mapping systems utilized nonreproducible rectified aerial photography base maps. This process also provides an opportunity to train the PVA office staff members in-house in

registering and parcel digitizing. In most cases, another parcel digitizing project is under way when the Cabinet's GIS support staff leaves town.

The efficiency of state coordination of parcel conversion from paper to digital maps recently reached a new level in Kentucky. In February, 2001, the Kentucky General Assembly's Contract Review Committee approved a contract between the Revenue Cabinet, eight PVAs, and the Justice Cabinet to have 168,000 parcels digitized by inmate labor. GIS workstations have been set up at the Luther Lockett Correctional Complex in LaGrange, Kentucky, with inmates trained and supervised by Department of Property Valuation personnel. The cost will be an extremely budget-friendly 40¢ per parcel for rural parcels and 25¢ per parcel for urban parcels, or about ten percent of the cost of digitizing Garrard County under the methods available at the time. Confidentiality concerns have been addressed, as inmates will have no access to the underlying cadastral data, and all maps will be scanned and registered prior to delivery to the prison, with road names and other location information deleted. Not only does this arrangement overcome the greatest single obstacle to parcel conversion, cost, but it contributes to the socially desirable goal of rehabilitating inmates, who could find themselves quite marketable upon release. As an alternative to the "in-house vs. contractor" debate, it also offers a solution to the epidemic of employee turnover that seems to plague government GIS installations.

GIS did not just happen in Kentucky PVA offices, it has been germinated, propagated and nurtured by the Department of Property Valuation. While the urban areas may make the technological breakthroughs, the rural areas must also bridge a cultural divide to fully embrace technology, with assistance and direction provided by the state. Taxpayers in all areas of the Commonwealth are entitled to be served by government that takes advantage of the most efficient and capable technology available.

(Continued on next page)

CALENDAR OF EVENTS SUMMER 2001

Ky. 7 Commercial Appraisal/Income Approach	July 10-12	Hampton Inn	Frankfort
IAAO 101 Fundamentals of Real Property	July 9-13	Best Western	Frankfort
PVA Summer Conference	July 16-19	Executive Inn	Owensboro
Ky. 8 Property Tax Assessment Administration	July 31-Aug.2	Hampton Inn	Frankfort
TRIM Tax Bill Class	Aug. 7-10	200 Fair Oaks Lane	Frankfort
Ky. 9 PVA Office Management	Aug. 14-16	Dale Hollow State Park	Burkesville
Ky. 4 Mapping System Maintenance	Aug. 14-16	Jenny Wiley State Park	Prestonsburg
Ky. 5 Residential Real Property Appraisal	Aug. 21-23	Hampton Inn	Frankfort
Ky. 7A Commercial Appraisal/Cost Approach	Aug. 21-23	Best Western	Frankfort
IAAO 151 Standards of Practice and Ethics	Aug. 27-29	Barren River State Park	Lucas
Ky. 6 Farm Real Property Appraisal	Aug. 28-30	Lake Barkley State Park	Cadiz
IAAO 102 Income Approach to Value	Aug. 27-31	Best Western	Frankfort
IAAO Conference	Sept. 9-12	Fountainbleau Hotel	Miami, Florida
Ky. 3 Workshop	Sept. 18-20	200 Fair Oaks Lane	Frankfort
Ky. 2 Basic Personal Property	Sept. 25-27	Natural Bridge State Park	Slade
Ky. 1 The Kentucky Property Tax System	Sept. 25-27	Holiday Inn Hurstbourne	Louisville

GIS SPECIAL ACHIEVEMENT AWARD

(Continued from Page 3)

It has become apparent at the state level that GIS implentation will have to occur without the luxury of significant additional appropriations. Creativity and energy will have to substitute for budget increases. Under the leadership of the Revenue Cabinet, GIS has been touted at nearly every property tax conference, meeting or other educational event over the past five years, until it has become in vogue for PVAs to "go GIS". Even though there is a long road ahead, the journey has begun and there is no turning back.



NEW PASSWORD POLICIES IN EFFECT

The Governor's Office of Technology (GOT) Mainframe Security Group has made several mainframe password policy changes effective Sunday, June 24, 2001.

In an effort to make the mainframe consistent with the GOT Security policy the following changes have been implemented:

1. The password length will be changed to 8 characters.
2. One of the eight characters must be a numeric or special character. (Note: #, \$, and @ are the only special characters allowed.)
3. The mainframe policy shall force a password change every 31 days (not 30 days as before).

The change to an eight character password on the mainframe will be enforced the next time users are required to change their password.



IN MEMORY OF PETE NICHOLLS

L.H. "Pete" Nicholls, a former state representative and Property Valuation Administrator in Greenup County, died Sunday, May 13, 2001. He was 75. Nicholls served as PVA in Greenup County from 1969 to 1980. He served as state representative for two terms in the 1960s.

He is survived by his wife, two sons, and three grandchildren.

Property Tax News is a quarterly publication of the Revenue Cabinet's Department of Property Valuation dedicated to increasing communication among professionals involved in the field of assessment administration in Kentucky.

Comments and suggestions for future articles should be addressed to Cindy Meholovitch, Editor, 200 Fair Oaks Lane, Frankfort, KY 40620, (502) 564-8340.

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