

**REAL PROPERTY TAX DUTIES
OF THE
COUNTY CLERK'S OFFICE**

**PREPARED BY THE
OFFICE OF PROPERTY VALUATION**

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This manual has been prepared by the Office of Property Valuation to serve as a guide to each county clerk's office for their duties with respect to the office's real property tax functions. Various county clerks have been consulted during the compilation of this manual. It is hoped that you will find this manual to be a valuable resource for all staff members who deal with real property tax issues.

One note of caution needs to be mentioned. Although the material in this manual has been reviewed extensively for accuracy, it does not supersede the statutes that govern the administration of real property taxation. Therefore, if a statute is found to contradict something contained in this manual, the statute needs to be followed.

THE KENTUCKY PROPERTY TAX CALENDAR

The Kentucky property tax calendar provides a general outline of the major statutory due dates for various parts of the property tax assessment and collection cycle. These dates have been established by the Legislature in an attempt to provide for continuity throughout the year across the State as well as to provide for the equitable and timely levy and collection of property taxes. Although the county clerk is not directly involved in the property tax assessment process and the sheriff is the initial collector of property taxes, it is important that personnel in the county clerk's office understand the requirements of the property tax calendar.

Overview of the Tax Calendar

The assessment date of both real and personal property is January 1 of each year. The official name on the property tax bill is the January 1st property owner; however, a tax bill can be sent "in care of" a new owner if the property transfers during the year. Real property owners can list their property with the property valuation administrator between January 1 and March 1, while tangible personal property must be listed between January 1 and May 15.

The preliminary real property assessment totals are scheduled to be submitted by the property valuation administrator to the Office of Property Valuation by the first Monday in April. These totals are evaluated to ensure they meet the fair cash value standards that have been established. If the totals are accepted, the next phase of the property tax calendar may begin. If the totals are rejected, the property valuation administrator will receive specific instructions regarding what must be done to be accepted.

The tax roll inspection period is scheduled to begin on the first Monday in May and continue for thirteen days. The tax roll must be open for six days per week – including Saturdays – and is scheduled to conclude on the third Monday in May. Alternate schedules may have to be used for the inspection period. For example, the inspection period does not have to begin on a Monday; however, the applicable statute does provide that the last day of the inspection period cannot be a Saturday, Sunday or legal holiday.

During the tax roll inspection period, property owners may file assessment appeals in the county clerk's office. The county clerk needs to ensure that the property owner has had a conference with the property valuation administrator and has listed his or her opinion of value for the property in question before accepting the appeal. Taxpayers who have had a conference with the property valuation administrator have until the close of business of the day following the last day of the inspection period to file an appeal.

Within three working days after the close of the inspection period, the county clerk's office is required to provide a summary of all appeals filed to the property valuation administrator. The property valuation administrator then has three more working days to make the necessary changes to the tax roll due to the appeal filings and submit a final summary of the real property assessments to the Office of Property Valuation.

The local board of assessment appeals convenes no earlier than twenty-five and not later than thirty-five calendar days following the conclusion of the tax roll inspection period. If no appeals have been filed, the board meets for only one day to review the assessments of property owned by the property valuation administrator and the deputies in the office. The board meets for no more than five days unless an extension has been granted by the Office of Property Valuation. The clerk or an authorized representative of the clerk's office serves as clerk of the local board of assessment appeals. A separate section of this manual provides additional details of the county clerk's responsibilities in this area.

After the assessments of all property in a county have been finalized and certified by the Office of Property Valuation, local tax rates can be set and tax bills can be prepared and mailed. The property tax calendar provides for delivery of the tax bills to the sheriff by September 15 of each year; however, many counties wait until October 1 or November 1 to mail their tax bills. If tax bills are mailed by October 1, taxpayers have until November 1 to pay their bill with a 2% discount. The face amount of the tax bill is due from November 2 to December 31. In January, a 5% penalty is added to the total amount due and beginning February 1 the penalty increases to 21% of the tax due. On April 15, all unpaid tax bills are transferred from the sheriff's office to the county clerk's office as of the close of business. The county attorney is then responsible for sending out notices to the delinquent taxpayers while the county clerk processes and distributes payments received, advertises the delinquent tax bills and conducts a sale of the delinquencies to third party purchasers. A separate section of this manual will provide a detailed explanation of the county clerk's responsibilities in this area.

A diagram of the property tax calendar is shown on the following page.

KENTUCKY PROPERTY TAX CALENDAR

	REAL ESTATE	PERSONAL PROPERTY
Assessment Date	January 1	January 1
Listing Period	January 1 - March 1	January 1 - May 15
First Recap to Office of Property Valuation	First Monday in April	
Public Inspection of Tax Roll/PVA Conferences	13 Days Beginning First Monday in May (6 days per week, including Saturday)	
Final Recap to Office of Property Valuation	No Later Than 6 Work Days After the Close of Inspection	
Property Valuation Certification	Upon Completion of Action by Department of Revenue	Upon Completion of Action by Department of Revenue
Board of Assessment Appeals	5 Days Beginning 25 to 35 Days After Inspection	
Establishment of Local Property Tax Rates	Within 45 Days of the Department of Revenue's Certification of the County's Property Tax Roll	Within 45 Days of the Department of Revenue's Certification of the County's Property Tax Roll
Tax Bills Delivered to Sheriff	By September 15	By September 15
Pay With Discount	By November 1	By November 1
Pay Without Discount	November 2 - December 31	November 2 - December 31
Tax Bills Delinquent	January 1	January 1
Pay With 5 Percent Penalty	January 1 - January 31	January 1 - January 31
Pay With 10 Percent Penalty and 10 percent Sheriff's add-on fee.	After January 31	After January 31
Transfer of Delinquent Tax Bills from the Sheriff to the County Clerk	April 15 – Sheriff collects tax through the close of business.	April 15 – Sheriff collects tax through the close of business.
County Clerk's Sale of Certificates of Delinquency	July 14 through August 28*	
Sheriff's Settlement	By September 1	

***Counties with delinquent unmined mineral or oil and gas tax bills have an additional 60 day time period to schedule their tax sale.**

PREPARATION OF PROPERTY TAX BILLS

In accordance with KRS 133.220, the county clerk is the local official responsible for the preparation of the property tax bills each year. In most, if not all counties, the county clerk will contract with a vendor or the property valuation administrator to do the actual printing of the tax bills. However, the county clerk continues to be the local official who obtains the official property tax rates from each taxing district. The tax rate information needs to be provided in writing by the appropriate official of the taxing district to the clerk's office. The county clerk should then make sure that the rates have been entered correctly into the computer software program that is used to print the tax bills.

In the Appendix to this manual is a section that contains examples of the form, instructions and letter that will be sent to all taxing districts in your county by the Department of Revenue to obtain each district's property tax rates. These forms will be mailed out in July or August of each year when taxing districts are beginning the process of setting rates. While these forms are designed to assist the Department of Revenue with its Omitted Tangible Property Tax program, county clerks can also ask each local taxing district to submit a copy of the form to their office as well. This is a convenient way for the county clerk to obtain each district's tax rate in writing and will help the clerk ensure accurate property tax rate information is furnished to the vendor who prints the county tax bills.

Taxing districts are required by KRS 132.0225 to establish a final tax rate within 45 days of the Department of Revenue's certification of the county's property tax roll. If this deadline is not met, the compensating tax rate for that district is used for that year's property tax bills. A copy of this statute is included in the Appendix of this manual. Additionally, the letter and forms sent to the county clerk by the Office of Property Valuation that can be used to compile each taxing district's rate are shown in the Appendix.

After the tax bills have been prepared, a receipt (Revenue Form 62A385 Sheriff's Official Receipt) which details the total amount of taxes due to each district must be prepared. This is normally done through the computer software that is used to print the tax bills. The receipt should be compared to the tax roll certification totals that are sent to the county clerk's office by the Office of Property Valuation. Any large discrepancies need to be investigated. It is important to verify the accuracy of the receipt since the sheriff will be charged with collecting the amounts shown on the receipt. This receipt is signed by the sheriff and county clerk and entered into the fiscal court order book. Copies of the receipt are distributed according to the Office of Property Valuation's guidelines.

The county clerk must additionally prepare the County Clerk's Claim for Preparing Tax Bills (Revenue Form 62A363) to receive the state's portion of the reimbursement due to the clerk's office for printing the tax bills.

Copies of the Sheriff's Official Receipt and the County Clerk's Claim for Preparing Tax Bills can be found in the appendix of this manual and on the county clerk's website at www.revenue.ky.gov/clerknetwork/Pages/default.aspx

Inclusion of Fire Fees on a County's Property Tax Bill

KRS 75.450 allows a fiscal court to adopt an ordinance authorizing a fire department that collects subscriber fees to add those fees to the county's property tax bill. The subscriber fees shall be a separate line item on the property tax bill and the sheriff collects and distributes the fees in the same manner as the other taxes on the bill. Subscriber fees that are unpaid represent a lien on the real property and the charges will incur the same penalty as State and county property tax amounts.

These provisions can cause issues for property owners who are not used to receiving a property tax bill due to the application of a homestead exemption or if the assessment of their property does not generate a tax bill large enough to exceed the tax bill thresholds in place – typically any tax bill under \$10 is not prepared. As part of the implementation of this method of collecting fire department subscriber fees, an extensive public relations campaign should be undertaken to help ensure that all property owners understand what these fees represent, any options to reduce or eliminate the fees that may be available and that any delinquent fees are subject to being acquired by third party purchasers.

Inclusion of 911 Fees on a County's Property Tax Bill

KRS 65.760 allows a city, county or urban-county government to levy any special tax, license or fee to fund 911 emergency services.¹ However, unlike the fire fees discussed in the previous section, 911 Service Fees do NOT constitute a lien upon real property. The fee is a personal obligation of the property owner and non-payment of the fee is a Class A Misdemeanor.

When adding a 911 fee to a county tax bill, the fee must be separately shown on the bill. The 911 fee is not subject to the 2% discount for early payment of the property tax bill, nor are the late payment penalty amounts added to it. Only the tax portion of a certificate of delinquency with a 911 fee on it would be offered for sale to any third party purchaser.

¹ In a 2015 divided opinion, Kentucky Supreme Court upheld the addition of this type of fee to a county's property tax bill. See Greater Cincinnati/Northern Kentucky Apartment Association, Inc. v. Campbell County Fiscal Court, 479 S.W.3d 603, 608 (Ky. 2015), reh'g denied (Feb. 18, 2016).

SALES OF DELINQUENT REAL PROPERTY TAX BILLS

The beginning of the county clerk's real property tax collection duties for each year's bills starts when the sheriff completes his collection efforts by transferring the delinquent tax bills to the county clerk as of the close of business on April 15th – or the fifteenth day of the fourth month after the date the taxes were due under an alternative collection schedule. When the transfer of the delinquent tax bills is made, the sheriff and county clerk will need to complete a receipt – Revenue Form 62A358 – which documents the number of bills and the total amount of the delinquencies that the county clerk's office is receiving. This receipt needs to be completed and signed by both the sheriff and county clerk at the time the tax bills are transferred to the county clerk's office.

An issue to keep in mind with the transfer of the delinquent tax bills is the handling of the payments that are postmarked timely but received after the transfer date. KRS 134.119 (3)(a)2 requires that timely postmarked payments must be accepted and processed for the amount due immediately before the transfer date. Payments of this type can be processed as agreed upon by the sheriff and county clerk, but if there is no agreement in place between the two offices, the sheriff shall accept and process the payments. If the sheriff's office does process these payments, a supplemental receipt – Revenue Form 62A358-S – will need to be completed to update the total number of bills and the total delinquent amount that will be handled by the county clerk's office. As with the original receipt form, both the sheriff and county clerk will need to sign the supplemental receipt form to acknowledge the updated totals. The supplemental receipt shall be prepared within 30 days of the original tax bill transfer date and shall be filed by the county clerk in the clerk's order book.

Copies of both receipt forms are included in the Appendix to this manual and are available on the county clerk's network.

After the bills have been received in the county clerk's office there will be a period of at least 90 days before the county clerk will conduct the tax sale. During this time frame the following activities must occur:

A list of all certificates of delinquency received from the sheriff must be provided to the Department of Revenue within 30 days of receipt;

The county clerk and Office of Property Valuation must set a tax sale date;

The county attorney is required to mail a 30-day notice to the delinquent taxpayers and – if necessary – another notice within 60 days;

The county clerk will advertise the delinquent real property tax bills at least 30 days but not more than 45 days prior to the tax sale date in both the local newspaper and on a county sponsored website;

The county clerk will register third party purchasers who desire to participate in the delinquent tax sale;

The county attorney must provide to the county clerk a list of certificates of delinquency that are to be excluded from the tax sale at least 10 days but not more than 20 days prior to the sale date; and

The county clerk will process all payments made by delinquent taxpayers prior to the tax sale.

Each of these duties will be discussed in detail in the following sections.

Submission of Delinquent Tax Bill Lists

The county clerk is responsible for providing or arranging to provide a list of all certificates of delinquency received from the sheriff to the Department of Revenue. These lists are due to be submitted to the Department by May 15th and need to include the following information:

- The property owner's name;
- The property's address; and
- The parcel number or lot number if available.

It is also desirable to include the tax bill number. Each county's list will then be posted to the Department of Revenue's website by June 1st to provide a central access point for all interested parties.

To assist the clerks in meeting this requirement, the Department of Revenue has contacted the various software vendors that provide the collection systems for the county clerks and arranged through them to obtain the delinquent lists in the appropriate electronic format. County clerk offices with in-house computer systems are also aware of this requirement.

This requirement is authorized in KRS 134.131 and a copy of this statute is included in the Appendix to this manual.

Establishment of a Tax Sale Date

KRS 134.128 establishes that all tax sales shall be scheduled at least 90 days but not more than 135 days after the delinquent tax bills have been transferred from the sheriff's office to the county clerk's office. In a county with a normal collection schedule this means a tax sale can be scheduled any business day between July 14th and August 28th. However, county clerks who must sell delinquent oil and gas or unmined mineral tax bills have an additional 60 days to schedule their tax sale. This means the deadline for having a tax sale would be October 27th in those counties.

All tax sale date requests will be processed by the Office of Property Valuation on a "first come first served" basis. Every effort will be made to accommodate the sale date selected by the county clerk, but the tax sales will need to be spread out as evenly as possible throughout the tax sale period. For this reason, it may be necessary to change the initial sale date request submitted by the county clerk. A tax sale date may be requested by calling Maurette Harris at 502-564-7230. You may also request a sale date by emailing Maurette at maurette.harris@ky.gov.

After a sale date for a county has been established, the county attorney should be informed so that this information can be included in the notices that must be sent to the delinquent taxpayers. In addition, by working back from the sale date, the advertising deadlines imposed upon the county clerk will then be known.

Mailing of Delinquent Notices

Within 30 days of the delinquent tax bills being transferred to the county clerk's office, the county attorney is required to mail a notice – by regular mail – to the delinquent taxpayer or to the in care of address if the property was sold during the tax year. The information that must be included in the notice by the county attorney is detailed in KRS 134.504. A copy of this statute is included in the Appendix of this manual. The county attorney is required to file in the county clerk's office a list of the names and addresses to which the 30 day notices were mailed along with a certificate attesting that the notices were mailed in accordance with the requirements of the statute.

All 30 day notices returned as undeliverable shall be submitted by the county attorney to the property valuation administrator so that the property valuation administrator can attempt to find a better address. The county attorney must file a list of the returned notices with the county clerk's office.

At least 20 days after mailing the 30-day notice but within 60 days of the delinquent tax bills being transferred to the county clerk's office, the county attorney is required to send a second notice – by regular mail – to delinquent taxpayers whose tax bills remain unpaid. The information that is required to be contained in this notice is similar to the 30-day notice; however, this notice will inform the delinquent taxpayer of the actual tax sale date as well as a statement that informs the delinquent taxpayer that the certificate of delinquency is subject to being purchased by a third party purchaser at the sale. This notice will also advise the delinquent taxpayer that a third party purchaser may impose substantial additional fees to the total amount due. The county attorney must file in the county clerk's office a list of the names and addresses to which a 60-day notice was mailed along with a certificate attesting that the notices were mailed in accordance with the requirements of the statute.

Advertisement of Certificates of Delinquency

KRS 134.128(5) requires the county clerk to advertise the certificates of delinquency scheduled to be sold at the tax sale at least 30 days but not more than 45 days before the scheduled date. The advertisement must be placed in the local newspaper with the largest paid circulation. The week before the individual certificates of delinquency are advertised a one-half page advertisement must be published. This advertisement must state that a list of the delinquent taxes is available for public inspection in accordance with KRS 424.330 during normal business hours at the business address of the county clerk and on an identified internet web site. The specific address for the county clerk's office, the hours of operation and the Uniform Resource Locator (URL) for the web site must be included in the advertisement. A sample one-half page advertisement is included in the Appendix of this manual. The delinquent tax bills must be listed on the internet web site at least 30 days prior to the tax sale date and updated on no less than a weekly basis.

The week after the half page advertisement appears, the listing of certificates of delinquency and - in a separate section - all personal property certificates of delinquency are published in the local newspaper. The information required to be included in the advertisement is the name of the property owner, the property address and the parcel number or lot number if available. It is also helpful to include the tax bill number and the total amount due in the advertisement; however, it is not legally required. The notice shall

also list the date, time and location of the tax sale. Keep in mind that a certificate of delinquency must be advertised in order to be sold.

The cost of placing the advertisements is paid by the county. The total cost of the advertisements is allocated to each certificate of delinquency in accordance with a formula developed by the Office of Property Valuation and will be paid by the person paying the certificate of delinquency. The formula is designed to take into account that a percentage of the certificates of delinquency will remain unpaid after the tax sale. The current advertising formula computations are shown in the Appendix to this manual.

The county clerk's office receives \$5.00 for each certificate of delinquency and personal property certificate of delinquency advertised. This fee is also added to the total amount due and is paid by the person paying the delinquent tax bill.

Registration Process for Third Party Purchasers with the Department of Revenue

All third party purchasers who meet any of the following conditions must register with the Department of Revenue before being allowed to participate in a tax sale:

- Plans to buy more than 3 certificates of delinquency in any county;
- Plans to buy more than 5 certificates of delinquency statewide; or
- Plans to invest more than \$10,000 statewide in any calendar year.

If a third party purchaser has questions about the registration process at the state level, they can be referred to the Department of Revenue's website – www.revenue.ky.gov/pages/index.aspx. After selecting the "property tax" link, the third party purchaser will be able to obtain the most up to date information about the registration process as well as download an application form.

Once an application has been received and approved, a certificate of registration will be issued to the third party purchaser. These certificates will indicate the date the third party purchaser is eligible to begin purchasing certificates of delinquency in a particular year. A copy of the certificate issued by the Department of Revenue is required to be provided to the county clerk's office when a third party purchaser – who meets the purchase thresholds – registers at the local level.

The Department of Revenue will maintain a list of all approved third party purchasers on its website and on the county clerk's network. This list will also provide information about third party purchasers who are related to each other to help the county clerks prevent related parties from participating in their tax sale.

Registration Process for Third Party Purchasers at the County Clerk's Office

All third party purchasers wishing to participate in a particular county's tax sale must complete a registration form and submit it along with all required fees and deposits to the county clerk's office by the advertised date. A sample registration form is included in the Appendix of this manual. Keep in mind that the purchase thresholds in effect for registration with the Department of Revenue do not apply when registering with the county clerk. The following items need to be submitted to the county clerk's office within 10 days prior to the tax sale date:

The registration form that contains the name and contact information for the third party purchaser;
A copy of the registration certificate issued by the Department of Revenue (if necessary);
The list of priority certificates of delinquency the purchaser intends to acquire (if any);
The list of current year certificates of delinquency the purchaser intends to acquire (if any);
The applicable registration fees; and
All applicable deposit amounts.

Priority Certificates of Delinquency

This list of priority certificates of delinquency is to be clearly marked as such and it needs to include the following information:

The current year's tax bill number;
The name on the tax bill;
The amount due on the certificate of delinquency;
The prior year certificate of delinquency's bill number;
The prior year certificate of delinquency's tax year;
The book and page number where the prior year certificate of delinquency is filed, if applicable;
The account or parcel identification number if used by the county to identify specific properties; and
Upon request of the county clerk, a copy of the prior year certificate of delinquency.

A deposit of 100% of the value of each priority certificate of delinquency is required from the third party purchaser. In accordance with KRS 134.126(1)(b), the county clerk can specify the form of payment that will be accepted; however, the county clerk cannot require only cash as a method of payment.

Current Year Certificates of Delinquency

The list of current year certificates of delinquency shall be prepared by the third party purchasers in an order and format as required by the county clerk and shall include the following information:

The tax bill number;
The taxpayer name;
The amount due on each certificate of delinquency;
The account or parcel identification number if the county uses that number to identify specific properties; and
The following sworn statement: "I hereby certify that I am not participating in this sale in conjunction with any related person or related entity to obtain any advantage over other potential purchasers at the sale."

A deposit of 25% of the total value of the certificates of delinquency on these lists is required. Again, the county clerk can specify the form of payment that will be accepted; however, the county clerk cannot require only cash as a method of payment.

Registration Fees

A registration fee up to a yearly maximum of \$250.00 must be paid by a third party purchaser no matter when a certificate of delinquency is acquired during the year. If a prior year certificate of delinquency is purchased before the current year's tax sale, a registration fee of \$10.00 needs to be added to the total due. For certificates of delinquency purchased at the tax sale, a fee of \$5.00 for each certificate included on the purchaser's priority list and \$10.00 for each certificate included on the purchaser's current year list must be paid at the time the lists are submitted. Whenever the \$250.00 maximum has been reached, no further registration fees can be charged until the next calendar year. Therefore, it is important for the county clerk to implement a method to track the amount of registration fees paid by a third party purchaser to both ensure the appropriate amount of fees – up to the \$250 maximum – is received and to avoid overcharging a third party purchaser. See page 15 of the manual for a discussion on third party purchases made after the current year's tax sale has been held.

Refund of Registration Fees Paid to Participate at the Tax Sale

In some cases, a third party purchaser will wind up acquiring only a small number of certificates of delinquency at a tax sale and they will request a refund of a portion of the registration fee that was paid to the county clerk's office. County clerks are under no obligation to issue a refund of the registration fees. In accordance with the governing regulation, the registration fee charged is a function of the number of certificates included on the third party purchaser's list of priority and current delinquencies – not the number of certificates actually purchased at the tax sale. A copy of the regulation – 103 KAR 5:180 – is included in the Appendix of this manual.

Review of Registration Information and Priority Lists of Certificates

The time period between the registration deadline and the tax sale date should be used to review the lists of priority certificates of delinquency submitted by third party purchasers. The county clerk needs to verify that the registrant actually has a priority right to purchase the listed certificate of delinquency. There will likely be instances where multiple third party purchasers include the same priority certificate of delinquency on their lists. Keep in mind that the purchaser holding the prior year claim for the most recent year is entitled to purchase the current year's certificate of delinquency for the same property. However, if the third party purchaser with the most recent year fails to include the current year certificate of delinquency on his or her list, the priority will transfer to the purchaser with the next most recent year who has included the certificate on his or her priority list.

The county clerk will also use this time period to ensure that each third party purchaser has properly registered with the Department of Revenue. Additionally, if the county clerk has any information that a third party purchaser may be attempting to subvert the fairness of the tax sale all relevant materials need to be forwarded to the county attorney and Department of Revenue for further review. This does not prevent the sale from going forward and does not necessarily prohibit the third party purchaser in question from participating in the sale. The county clerk will receive specific guidance from the Department of Revenue should this issue arise.

Communication Between the County Clerk and County Attorney

In accordance with KRS 134.504, the county attorney is required to inform delinquent taxpayers in both the 30 day and 60 day notices that they may qualify for an installment payment plan. If the county attorney and delinquent taxpayer agree to a payment plan, the certificate of delinquency in question is eligible to be removed from the tax sale as long as the taxpayer is meeting the requirements of the payment plan. The county attorney is required to provide to the county clerk a list of bills to exclude from the tax sale at least 10 days but not more than 20 days prior to the sale date. This list needs to include certificates of delinquency that are:

1. Under a payment plan with the county attorney on which the payments are current;
2. Involved in litigation initiated by the county attorney or in which the county attorney responds or files an answer;
3. Involved in bankruptcy litigation in which the county attorney has filed a claim or,
4. Included on a list of protected properties submitted to the county attorney by a vacant property review commission or an alternative government entity as provided in KRS 99.727.

The list prepared by the county attorney needs to provide sufficient detail for the county clerk to accurately identify which certificates of delinquency to exclude from the tax sale. If a taxpayer defaults on a payment plan prior to the tax sale, the county attorney needs to immediately inform the county clerk's office so that the certificate of delinquency can be added to the pool of bills available at the tax sale. The county clerk will determine if the amount paid is applied as a credit against the total due on the certificate of delinquency or if the amount paid is refunded to the taxpayer. If the amount paid is credited against the total due, the remaining balance will be the amount a third party purchaser will have to pay. If a refund is made, then the full amount of the certificate of delinquency will be offered for sale. See the response to question #8 in the "Frequently Asked Questions" section in the Appendix for more information concerning this issue.

Processing of Payments Received Prior to the Tax Sale

Many certificates of delinquency will be paid in the county clerk's office by the taxpayers prior to the tax sale. KRS 134.127 authorizes the county clerk to accept payment from only the following persons/entities: the taxpayer, a person/entity paying on behalf of the taxpayer, any person having a legal or equitable estate, a tenant or lawful occupant of real property, a bailee or person in possession of any personal property; or a person having a mortgage on real property or a security interest in real or personal property. All penalties, sheriff fees and commissions, county clerk fees, county attorney fees, interest and lien recording and release fees need to be collected unless a waiver of all or part of the penalties and fees has been agreed to by the various local officials. Additionally, keep in mind that if the certificate of delinquency is paid within the first 5 business days after being transferred to the county clerk's office, the county attorney's fee is automatically waived by statute. The county clerk is responsible for collecting the proper amount and distributing the amounts due each taxing district and local official by the 10th of the following month.

Process to Follow When a Taxpayer's Check is Returned for Insufficient Funds

If a county clerk has made the decision to accept personal checks from taxpayers, there may be an instance where a check accepted as payment for the amount due on a certificate of delinquency is returned by the bank for insufficient funds. If this happens, the certificate of delinquency that was marked "paid" should **NOT** be reinstated as an unpaid delinquency. It could take quite a bit of time for a check to be returned to the county clerk's office by the bank. During this time the certificate of delinquency would be marked "paid" in the county clerk's office and there could have been a title search done or other review completed that relied upon the record that indicated that certificate of delinquency was paid and the lien represented by that certificate was released. For this reason, the county clerk needs to take the appropriate action to get this check paid. In some instances, the clerk may decide to contact the taxpayer directly to inform them their check was returned. In other cases, it may be necessary to have the county attorney file the necessary legal action against the taxpayer to get the amount due.

Keep in mind that although KRS 134.126(1)(b) allows the county clerk to accept payment by any commercially acceptable means, the methods of payment can be limited to those that ensure the payment cannot be reversed or nullified due to insufficient funds. A copy of this statute is included in the Appendix of this manual.

Cut off for Payments Prior to the Tax Sale

If a taxpayer's payment has not been received – either in person or via mail delivery – by the advertised start time of the tax sale, the certificate of delinquency is officially eligible to be acquired by a third party purchaser. Any payments tendered by a taxpayer after the tax sale has started cannot be accepted by the county clerk's office. If the certificate of delinquency is purchased by a third party, the taxpayer will have to make payment to that third party purchaser. If the taxpayer's certificate of delinquency was not purchased at the tax sale, the taxpayer can then remit the appropriate amount due to the county clerk's office.

PROCEDURES TO USE FOR THE DELINQUENT PROPERTY TAX SALE

To begin the tax sale, the county clerk will first allocate the requested priority certificates of delinquency to the various purchasers who timely submitted a list. If this will be a lengthy process, the county clerk has the option of assigning the priority certificates of delinquency as soon as practicable after the tax sale.

The remaining certificates of delinquency will be sold in a predetermined lot size. The selection order by registered purchasers is determined by a random drawing on the day of the tax sale. Purchasers shall select lots to purchase in order based on the random drawing from the lowest to the highest number. Registered purchasers who are not present for the random drawing, but show up late, shall be placed at the bottom of the selection list.

The certificates of delinquency shall be sold in the following lot sizes:

In counties with 500 or fewer certificates of delinquency to be sold, the certificates may be sold in lots of up to 5;

In counties with more than 500 and less than 1,000 certificates of delinquency to be sold, the certificates may be sold in lots of up to 10;

In counties with at least 1,000 and not more than 2,500 certificates of delinquency to be sold, the certificates may be sold in lots of up to 25;

In counties with at least 2,500 and not more than 7,500 certificates of delinquency to be sold, the certificates may be sold in lots of up to 50; and

In counties with more than 7,500 certificates of delinquency to be sold, the certificates may be sold in lots of no more than 50 for the first 4 rounds. For all subsequent rounds, the certificates may be sold in lots not to exceed 2% of the total number of certificates of delinquency included in the pool for sale.

Notwithstanding the lot sizes established above, the county clerk will adjust the lot size to ensure that all purchasers receive an equal - or as near equal as possible - number of certificates in the last round. For example, if the lot size is 10 and there are 7 purchasers and at the beginning of the final round there are only 35 certificates remaining, the county clerk will adjust the lot size to 5 for the final round so that each purchaser will be allowed to participate in the final round.

Purchasers are eligible to select only those certificates of delinquency included on their list of current year certificates of delinquency that have previously been submitted to the county clerk.

A purchaser may withdraw from the tax sale at any time prior to the completion of the sale. If a purchaser acquires less than a full lot of certificates in three consecutive rounds, the purchaser shall be considered to have withdrawn from the sale after the third partial lot purchase. No other purchaser may take the place of the withdrawing purchaser.

The county clerk may impose a reasonable time limit for purchasers to make their selections during each round.

The county clerk shall apply the purchaser's deposit to the total amount due for the certificates of delinquency purchased. The third party purchaser shall pay any additional funds required in the manner determined by the county clerk by the payment deadline established. The total amount due shall include all county clerk's fees for the recording and assignment of each certificate of delinquency. Although some third party purchasers have offered to pay the lien release fee in advance, it is the Department of Revenue's recommendation that the release fee should be paid only when the taxpayer has paid the third party purchaser in full. Any deposit amount remaining after the sale shall be refunded to the third party purchaser within ten business days after completion of the tax sale.

After the tax sale has been completed, any remaining certificates of delinquency may be purchased at any time by any third party purchaser. However, all third party purchasers must continue to meet the registration requirements of KRS 134.129 and a registration fee of \$10.00 per bill purchased up to a limit of \$250.00 must be paid to the county clerk if the maximum fee was not reached due to purchases made earlier in the year either prior to or at the tax sale.

Any questions or controversies relating to the tax sale will be addressed by the county clerk.

REFUNDS TO THIRD PARTY PURCHASERS

Refunds to third party purchasers are governed by KRS 134.551. When a certificate of delinquency held by a third party purchaser is unenforceable because:

- It is a duplicate certificate of delinquency;
- The tax liability represented by the certificate of delinquency was paid prior to the purchase of the certificate of delinquency;
- All or a portion of the certificate of delinquency is exonerated;
- The property to which the certificate of delinquency applies was not subject to taxes as a matter of law as certified by the property valuation administrator; or
- It should not have been sold since it met the requirements for inclusion on the list of protected certificates of delinquency provided by the county attorney in accordance with KRS 134.504(10)(b);

the third party purchaser may apply to the county clerk for refund. The application for refund must include written proof that one of the situations listed above exists. Please refer to the following section for more details regarding refunds of certificates of delinquency that are involved in litigation and may or may not have been included on the protected list prepared by the county attorney.

Upon approval of the refund application, the county clerk is authorized to issue a refund of the amount paid by the third party purchaser. The refund does **NOT** include the lien filing fees and no interest or any additional fees are entitled to be recovered by the third party purchaser.

The amount refunded by the county clerk will be deducted from the amounts distributed to the various taxing districts and local officials on the next monthly collection report.

If the county clerk does not have sufficient funds to make the refund, the clerk may do one of the following:

Retain the approved refund claim and make the refund as soon as sufficient funds are on hand; or

Provide a signed letter to the person due the refund which includes the amount due from each taxing jurisdiction and fee office. The letter will also direct each taxing jurisdiction and fee office to pay the appropriate amount due to the third party purchaser.

When a refund is made to a third party purchaser, the county clerk shall issue and file a release of the lien on the property that was subject to the certificate of delinquency. A lien release form to use in this situation has been developed and a copy is included in the Appendix of this manual and is also available on the county clerk network. In addition to the release form, the county clerk shall also file the documentation supporting the issuance of a refund and a copy of the refund check or the letter authorizing the refund sent to the third party purchaser. The lien release and supporting documents are filed without a fee. The county clerk shall return the lien release document to the taxpayer and provide a copy to the third party purchaser.

On occasion, a refund of a certificate of delinquency that has been assigned by the original third party purchaser to another purchaser will need to be made. When this situation arises, it is the position of the Department of Revenue that the refund can be issued directly to the assignee. This is based upon language contained in KRS 134.490 (6) that allows "...any person to whom a third-party purchaser transfers or assigns a certificate of delinquency shall be considered a third-party purchaser under this chapter". A copy of the memorandum that was sent to all county clerks addressing this issue is included in the Appendix of this manual.

If a refund request made under KRS 134.551 is denied by the county clerk, the third party purchaser may appeal the decision to the Kentucky Board of Tax Appeals.

There is no two-year statute of limitation on refunds applied for under the provisions of KRS 134.551.

This statute also outlines the refund process when a certificate of delinquency is declared void by a court due to the irregularity of taxing officers. When a court ruling of this type has been made, the third party purchaser must apply for a refund within one year of the date of the judgment.

A copy of KRS 134.551 is included in the Appendix of this manual for your review.

REFUNDS TO THIRD PARTY PURCHASERS WHEN A CERTIFICATE OF DELINQUENCY IS INVOLVED IN LITIGATION

KRS 134.504(10)(b) details why a certificate of delinquency would be included on the "protected" list furnished to the county clerk by the county attorney and; therefore, the certificate would not be eligible to be sold to a third party. It is important to note that the statutory language is very specific with regard to the types of litigation that will qualify a certificate of delinquency for inclusion on the protected list. First, if a certificate of delinquency is involved in any type of litigation that has been initiated by the county attorney, then it should be included on the protected list and not sold by the county clerk. A common example of this situation would be when a county attorney initiates a foreclosure action against a previous year's certificate of delinquency that was not acquired by a third party purchaser. If the current year's tax bill for the same property is also not paid, the county attorney should place that delinquency on the protected list since the current year's delinquency can be included in the litigation that has been filed and collection on the amount due can be made through the lawsuit rather than selling the bill

to a third party purchaser. If the county attorney fails to include a certificate of delinquency in this type of situation on the protected list and it is sold to a third party purchaser, this would represent a valid reason to make a refund to the third party.

Secondly, if a county attorney has responded to, filed an answer or – in the case of bankruptcy litigation – filed a claim to an action brought by another party, then a certificate of delinquency involved in the litigation needs to be included on the protected list.

If a certificate of delinquency is discharged through a bankruptcy filing, the discharge only releases the owner of the property from being responsible for the liability. The delinquency continues to be attached to the real property in question. When the property is sold at a later date, the certificate of delinquency would still need to be paid as part of the real estate transaction. Therefore, a third party purchaser holding a certificate of delinquency that has been discharged by a bankruptcy filing can still recover their money when the property sells.

Third party purchasers should be encouraged to do their own bankruptcy filing research before purchasing certificates of delinquency at a tax sale. A subscription service known as “PACER” can be utilized by third party purchasers to get up to date information about bankruptcy filings. Third party purchasers can be directed to the following website to obtain more information about this service: www.pacer.psc.uscourts.gov.

Another issue involves foreclosure actions that have been initiated by a third party purchaser and there are other third party purchasers holding certificates of delinquency as well against the property in question. If an action of this type results in a third party purchaser only receiving a prorated amount for their certificate of delinquency, they are not entitled to a refund from your office for the difference between the amount they received through the foreclosure and the total amount claimed due. Since an action of this type would not have been initiated by the county attorney and there would not be any response or answers filed since the taxing districts would not be a party to the foreclosure action there would have been no reason for the county attorney to include the affected certificate of delinquency on the protected list.

Please do not hesitate to contact the Department of Revenue whenever you have a question about whether or not a third party purchaser is entitled to receive a refund.

PAYMENTS RECEIVED PURSUANT TO A FORECLOSURE ACTION

In accordance with KRS 134.490 and KRS 134.546, third party purchasers can ultimately foreclose against a property owner to collect the amount due on a certificate of delinquency. This type of action is done through the local circuit court and requires the services of the Master Commissioner. Generally, the county clerk’s office is not involved in this process until the property has been sold and the proceeds are distributed by the Master Commissioner.

Since a third party purchaser does not have to acquire all of the certificates of delinquency against a property to begin a foreclosure action, the county clerk’s office will receive an amount from the Master Commissioner to satisfy the certificates of delinquency that remain on file against the property in question. If the amount is sufficient to pay all of the certificates of delinquency in their entirety, the county clerk

marks the certificates as paid in full and distributes the money to the various taxing districts and local officials in the normal manner.

In some instances, the proceeds from the sale of the property are not sufficient to pay all of the certificates of delinquency in full. When this occurs, the court order may detail how the money received is to be applied to the certificates of delinquency. If there are no instructions in the court order, the county clerk will start with the most recent certificate of delinquency and pay as many certificates in full as possible.

DIFFICULTY LOCATING A THIRD PARTY PURCHASER

Despite all of the notice requirements now imposed upon third party purchasers, there will continue to be instances where a delinquent taxpayer cannot make contact with the third party who purchased his or her certificate of delinquency. KRS 134.127(3)(e)1. details the procedure to be followed when this situation occurs.

The delinquent taxpayer must first send a registered letter to the third party purchaser to the address reflected in the most recent notice received from the third party purchaser or – if no notice has been received – to the address shown in the records of the county clerk. If the letter is returned unclaimed or if the third party purchaser fails to respond in writing within 30 days, the taxpayer can present to the county clerk the certified mail receipt that indicates the letter was mailed to the correct address and the date it was mailed. If the letter was returned, then that document also needs to be presented to the county clerk. The delinquent taxpayer shall attest to the actions taken and an attestation form to use is included in the Appendix of this manual.

Upon acceptance of the documentation and attestation by the county clerk, the delinquent taxpayer may pay the full amount due as reflected in the records of the county clerk plus any applicable interest. The county clerk will then make the necessary lien release in accordance with KRS 134.127(3)(e)2. Revenue Form 62A377 has been developed to document the lien release when this situation occurs and is included in the Appendix of this manual.

The county clerk then deposits the amount paid in an escrow account and the name of the bank in which the money is deposited shall be noted on the certificate of delinquency. The county clerk deducts a \$20.00 fee for this service. The county clerk must hold these amounts in the escrow account for a period of three years. After this time period has elapsed, KRS 393.090 provides that the property is presumed to be abandoned and the funds escheat to the State Treasury.

A copy of the certificate of delinquency and the corresponding lien release is then mailed by regular mail to the third party purchaser to the address on record.

A copy of KRS 134.127 is included in the Appendix of this manual.

RECORDING FEES ADDED TO CERTIFICATES OF DELINQUENCY

When a delinquent tax bill is transferred from the sheriff to the county clerk, the tax bill becomes a certificate of delinquency and a lien is filed on the property. A \$5.00 “Lien On” fee (KRS 64.012(1)(d)) and a \$5.00 “Lien Off” fee (KRS 64.012(1)(e)) are added to

the total due. These fees are applied to every certificate of delinquency and personal property certificate of delinquency. These fees are unrelated to the filing fees associated with third party purchasers.

When certificates of delinquency are sold to third party purchasers, the county clerk's office is required to collect an additional fee of \$27.00 for noting the assignment of a certificate of delinquency and recording and indexing the encumbrance. A \$3.00 fee is added for mailing the appropriate document to the third party purchaser. The fee to release the encumbrance of the certificate of delinquency when the third party purchaser has been paid is \$33.00, plus \$3.00 for postage. Although some third party purchasers have offered to pay the release fee in advance, it is the Department of Revenue's recommendation that the release fee should be paid only when the taxpayer has paid the third party purchaser in full.

A copy of KRS 64.012 is included in the Appendix to this manual.

ASSIGNMENT OF A CERTIFICATE OF DELINQUENCY

On occasion, a third party purchaser will assign a certificate of delinquency that has been acquired to another third party purchaser. This is allowable under KRS 134.126; however, the third party purchaser that is obtaining the lien in the assignment will need to meet the State registration requirements that are in place for all third party purchasers who participate in the tax sales. This means if the third party purchaser is obtaining – via an assignment – more than 3 certificates of delinquency in a county or more than 5 certificates of delinquency statewide or is spending more than \$10,000 then the third party must be registered with the Department of Revenue and eligible to purchase certificates of delinquency. Proof of registration and the effective date purchases can begin should be provided to the county clerk before any assignment is made. The county clerk shall charge a \$33.00 fee established by KRS 64.012((1)(a)1.c.) to note and record the assignment.

PAYMENT AMOUNTS AT VARIOUS STAGES OF THE DELINQUENT TAX COLLECTION PROCESS

The following payment scenarios will illustrate the various amounts due at different phases during the collection process in the county clerk's office. A tax bill with a face amount due of \$1,000 will have the following amounts added to it when it is transferred from the sheriff to the county clerk:

Face amount of the tax bill	\$1,000.00
10% penalty	100.00
Sheriff's add on fee	110.00
Sheriff's commission*	44.00
Total of Certificate of Delinquency	\$1,254.00

*An assumed commission of 4% was applied to \$1,100 (\$1,000 + \$100) to arrive at \$44.00. The sheriff's actual commission rates need to be used to arrive at the amount to add to the total due.

Payment Example #1 - This delinquency was transferred to the county clerk's office on April 15, 2021. If it was paid on April 20, 2021, the following amount would be due:

Base amount of certificate of delinquency	\$1,254.00
Interest (\$1,254.00 x 1%)	12.54
County clerk commission (\$1,112.54 x 10%)*	111.25
Lien recording and release fee	10.00
 Total amount due on April 20, 2021	 \$1,387.79

*The county clerk's fee is 10% of the sum of the tax + 10% penalty + interest. The county attorney's fee is waived since the certificate of delinquency was paid within 5 business days of the clerk's receipt of the delinquencies from the sheriff's office.

Payment Example #2 - If the certificate of delinquency is paid on April 27, 2021, the following amount would be due:

Base amount of certificate of delinquency	\$1,254.00
Interest (\$1,254 x 1%)	12.54
County clerk commission (\$1,112.54 x 10%)	111.25
County atty. commission (\$1,112.54 x 20%)	222.51
Postage due to county atty. for first notice	1.00
Lien recording and release fee	10.00
 Total amount due on April 27, 2021	 \$1,611.30

Payment Example #3 - If the certificate of delinquency is paid on May 26, 2021, the following amount would be due:

Base amount of certificate of delinquency	\$1,254.00
Interest (\$1,254 x 2%)	25.08
County clerk commission (\$1,125.08 x 10%)	112.51
County atty. commission (\$1,125.08 x 20%)	225.02
Postage due to county atty. for first notice	1.00
Lien recording and release fee	10.00
 Total amount due on May 26, 2021	 \$1,627.61

Payment Example #4 - Assuming the certificates of delinquency are advertised on June 16, 2021, if a certificate of delinquency is paid on June 23, 2021, prior to the county clerk's sale, the following amount would be due:

Base amount of certificate of delinquency	\$1,254.00
Interest (\$1,254 x 3%)	37.62
County clerk commission (\$1,137.62 x 10%)	113.76
County atty. commission (\$1,137.62 x 20%)	227.52
Postage due for first and second notices	2.00
County clerk's fee	5.00
Assumed advertising cost	10.00
Lien recording and release fee	10.00
Total amount due on June 23, 2021	\$1,659.90

Payment Example #5 - Assuming the sale of certificates of delinquency conducted by the county clerk is held on July 19, 2021 and this certificate of delinquency is paid by a third party purchaser; the following amount would be due:

Base amount of certificate of delinquency	\$1,254.00
Interest (\$1,254 x 4%)	50.16
County clerk commission (\$1,150.16 x 10%)	115.02
County atty. commission (\$1,150.15 x 20%)	230.03
Postage due for first and second notices	2.00
County clerk's fee	5.00
Assumed advertising cost	10.00
Original lien recording and release fee	10.00
Assignment, recording and indexing fee	30.00
Total amount due on July 19, 2021	\$1,706.21

OIL AND GAS AND UNMINED MINERAL PROPERTY TAX BILLS

Oil and gas and unmined mineral property tax assessments are done centrally by the personnel within the Office of Property Valuation. Since this assessment work utilizes information that is obtained from a tax return filed by the property owner or other related interest, the schedule for sending tax bills to the sheriff's office for collection typically runs later than the schedule used for the "regular" county property tax bills. Collections usually begin December 1 for oil and gas assessments and unmined coal property tax bills are typically scheduled to be mailed out in February or March.

County clerks that have to sell delinquent oil and gas or unmined mineral tax bills now have until October 27th to schedule their tax sale – assuming the "regular" tax bills were received from the sheriff's office at the close of business on April 15th. This will allow the county clerk to have one tax sale for all delinquent tax bills.

If a delinquent tax bill(s) is received from the sheriff too late to be included in the scheduled tax sale, that bill(s) can be held over to the following year's tax sale. During that time, the county clerk can accept payment from the property owner, tenant in possession of the property or the mortgage holder. Remember that any delinquency held over must be advertised with the current year certificates of delinquency in order for them to be sold.

The county attorney will have to send 30-day and – if necessary – 60-day notices for the delinquent oil and gas or unmined mineral tax bills; however, since these delinquencies are transferred to the county clerk’s office later than the “regular” tax bills, these notices will be on a delayed schedule.

ADDITIONAL, SUPPLEMENTAL AND OMITTED TAX BILLS

In addition to the regular property tax bills that are prepared, the county clerk’s office is also responsible for the preparation of tax bills which address special situations. The different types of tax bills that may need to be prepared are additional, supplemental and omitted property tax bills. The following sections discuss what each of these bill types are and the procedures to follow when preparing them.

Additional Property Tax Bills

Additional property tax bills are prepared when a taxpayer does not receive a tax bill even though all information about the property was available in the property valuation administrator’s office. Regardless of what phase the tax collection schedule is in, a thirty-day time period must be offered for each collection period (2% discount, face amount, 5% penalty and 21% penalty).

Any delinquent additional tax bills that were issued by November 1 can continue to be transferred by the sheriff to the county clerk as of the close of business on April 15 since the full collection cycle will have been completed. In all other instances, a delinquent additional bill will be transferred by the sheriff at the close of business on the 15th day of the fourth month after the additional tax bill was due. When a delinquent additional bill is received by the county clerk, if there is at least 90 days before the current year’s tax sale, the delinquent additional bill can be included. If it is less than 90 days until the current year’s tax sale or if the tax sale for the current year has already been conducted, then the delinquent additional bill will be held over to next year’s tax sale.

Supplemental Property Tax Bills

Supplemental property tax bills result from the property assessment appeals process. While an appeal is pending, KRS 133.120(9) entitles a taxpayer to pay property tax on his or her claim of value. When a final decision has been reached for the assessed value, if it is higher than the taxpayer’s claim of value, a supplemental tax bill must be prepared. A supplemental tax bill may also have interest added to the total due if it is issued after the regular tax bills have entered the penalty phase of the collection schedule (typically starting in January). The following example will illustrate the proper way to prepare a supplemental tax bill.

Supplemental Tax Bill Example

The property valuation administrator assessed Mr. Smith’s house and lot at \$150,000. Mr. Smith disagreed with the assessed value and, after having a conference with the property valuation administrator, he filed an appeal in the county clerk’s office. Mr. Smith listed a value of \$100,000 in his appeal petition. The local board of assessment appeals upheld the property valuation administrator’s value and Mr. Smith continued his appeal to the Kentucky Board of Tax Appeals (KBTA). Prior to his hearing before the KBTA, the regular county property tax bills were prepared and Mr. Smith’s tax bill was

based upon his \$100,000 claim of value. In February, the KBTA heard Mr. Smith's appeal and it determined the property should be assessed at \$140,000. This decision was not appealed further by Mr. Smith and it became final on March 15th.

Based upon the above information, Mr. Smith must now receive a supplemental property tax bill based upon the \$40,000 assessment difference between his claim of value and the final determination made by the KBTA. The appropriate state and local tax rates are applied to the \$40,000 assessed value to arrive at the proper amount of tax Mr. Smith must now pay. Additionally, interest at the statutory tax interest rate must be calculated and added to the tax amount. Assuming the tax bill was prepared on March 15th and a tax interest rate of 5%, the interest rate to apply to the tax due is 1.01%. This is calculated by using a daily interest factor of .01369863% (5% / 365) and multiplying that factor by 74 days (January 1-March 15).

Supplemental property tax bills are due on the day they are prepared and are subject to a penalty of 21% if they are not paid within thirty days after they become due. Additionally, all delinquent penalties that apply to regular property tax bills will apply to unpaid supplemental tax bills.

Omitted Property Tax Bills

Omitted real property tax bills are prepared when the property valuation administrator has determined that a parcel has been left off of the property tax roll. Omitted property taxes can be levied against a taxpayer for up to five years. The taxpayer must first be notified by the property valuation administrator of the omitted assessment and given an opportunity to appeal the assessed value. When the omitted assessment has been finalized, an omitted property tax bill must be prepared by the county clerk's office.

An omitted property tax bill will consist of tax, penalty and interest. The applicable state and local tax rates must first be used to calculate the tax due for an omitted tax bill. If the property valuation administrator has determined that the omitted assessment was voluntarily listed by the taxpayer, the penalty to apply to the omitted tax bill will be 10% of the tax due. If it has been determined that the assessment was involuntarily listed by the property valuation administrator, the penalty will be 20% of the tax due. Finally, interest at the statutory tax interest rate must be added to the omitted bill. Since the tax interest rate usually fluctuates from year to year, it is likely that different interest rates will have to be used for an omitted bill that covers more than one year. The following example will demonstrate how to properly calculate an omitted property tax bill.

Omitted Property Tax Bill Example

In the spring of 2021, the property valuation administrator discovered a house that was completed in 2018 was not on the tax roll. This house was considered to be omitted beginning with the 2019 assessment year. An omitted assessment notice was prepared and sent to the taxpayer and an omitted assessment of \$150,000 was agreed upon. The property valuation administrator considers this omitted assessment to have been involuntarily listed. On May 1, 2021, the county clerk prepared an omitted property tax bill in the following manner.

The property tax rates (expressed as cents per \$100 of assessed valuation) in effect for 2019 and 2020 were as follows:

	State	County	School	Total
2019	12.2	12.7	42.7	67.6
2020	12.2	12.6	42.6	67.4

The tax amount due for each year would be calculated in the following manner:

$$\begin{aligned} 2019 &- 150,000 \times 67.6 \text{ cents per } \$100 = \$1,014.00 \\ 2020 &- 150,000 \times 67.4 \text{ cents per } \$100 = \$1,011.00 \end{aligned}$$

Since the omitted assessment has been considered to be involuntarily listed, a 20% penalty will be applied against the total tax due for each year. This would result in a penalty of \$202.80 for the 2019 tax year ($\$1,014.00 \times 20\%$) and \$202.20 for the 2020 tax year ($\$1,011.00 \times 20\%$).

The final step is to calculate the interest due for each year. Interest on omitted real property tax bills runs from the time the bill would have been considered to be delinquent had it been issued in the normal manner to the date it is paid. In this example, it will be assumed that the regular tax bills were issued timely each year and would have been considered to be delinquent on the January 1 following their issue date. This would cause interest to begin on January 1, 2020 for the 2019 omitted bill and January 1, 2021 for the 2020 omitted bill. Since the omitted tax bills are being issued on May 1, 2021, interest should be calculated through May 31, 2021, to allow the taxpayer thirty days to pay the bill.

The tax interest rates applied to tax bills for the years in question are as follows:

$$\begin{aligned} 2020 &- 7\% \\ 2021 &- 5\% \end{aligned}$$

2019 Omitted Property Tax Bill

Interest on the 2019 omitted tax bill will run from January 1, 2020 through May 31, 2021 and it is calculated as follows:

$$2020: 1,014 \times 7\% = \$70.98$$

$$2021: 1,014 \times 2.07\%* = \underline{\$20.99}$$

$$\text{Total Interest} \quad \$91.97$$

*The tax interest rate for 2021 is 5%; therefore, the daily factor will be $5\% \div 365 \text{ days} = .01369863\%$. January 1-May 31, 2020 is 151 days. The interest rate for this time period is $151 \times .01369868\% = 2.07\%$.

The total amount due on the 2019 omitted real property tax bill will be:

Tax	\$1,014.00
Penalty	202.80
Interest	<u>91.97</u>
Total	\$1,308.77

2020 Omitted Property Tax Bill

Interest on the 2020 omitted tax bill will run from January 1, 2021 through May 31, 2021 and it is calculated as follows:

$1,011.00 \times 2.07\% = 20.93$ (See the interest rate calculation explanation in the previous example for the 2.07% interest factor used.)

The total amount due on the 2020 omitted real property tax bill will be:

Tax	\$1,011.00
Penalty	202.20
Interest	<u>20.93</u>
Total	\$1,234.13

A revenue procedure which details the various tax interest rates and provides an example of how to compute omitted property tax bills is prepared by the Department of Revenue each December and distributed to all county clerk offices. A copy of the latest procedure is included in the Appendix of this manual.

Transfer of Delinquent Supplemental and Omitted Tax Bills

Supplemental and omitted tax bills are due the date they are prepared and the taxpayer has only 30 days to pay these types of bills without incurring further penalties. Therefore, a delinquent supplemental or omitted property tax bill is eligible to be transferred from the sheriff to the county clerk on the fifteenth day of the fourth month after the initial 30 day payment period has elapsed. When a delinquent supplemental or omitted bill is received by the county clerk, if there is at least 90 days before the current year's tax sale, these types of delinquencies can be included in the sale. If there are less than 90 days until the current year's tax sale or if the tax sale for the current year has already been conducted, then the delinquent supplemental or omitted tax bills will be held over to next year's tax sale.

EXONERATION ISSUES

Occasionally, situations arise that will require an assessment adjustment to be made for a certificate of delinquency on file in your office. The county clerk's office is notified of these adjustments by the receipt of an exoneration form from the property valuation administrator's office. An exoneration form has been developed by the Department of Revenue and the form number is 62A366 - D. A separate exoneration form - 62A366R - is used when a refund is involved. Examples of these forms can be found in the Appendix of this manual and on the County Clerk's network.

Exonerations That Adjust an Unpaid Certificate of Delinquency

If the exoneration eliminates the entire assessed value of the property in question, then the certificate of delinquency needs to be removed from your office's records and the lien is then released. However, many times an exoneration will only reduce the original assessment to a lower assessed value. When that is the case, the certificate of delinquency must be recalculated based upon the lower value. Penalty and interest amounts will continue to be due, but they will be reduced since the assessment has been adjusted downward. The same holds true for the county attorney and county clerk fees that are a percentage based on the total due. Since the amount that must now be paid is lower, those fees will also be reduced. However, the \$5.00 clerk fee for each bill advertised, the advertising cost applied to the bill and all lien recording and release fees will remain on the certificate of delinquency and are not impacted by the exoneration. An example of how to adjust the amount due on a certificate of delinquency for a partial exoneration is shown in the Appendix.

Exonerations That Adjust a Certificate of Delinquency That Has Been Paid

An exoneration issued by the PVA that adjusts the assessed value on a certificate of delinquency that has already been paid by the property owner will result in a refund if the original payment was made within two years of the date the bill was exonerated. Exonerations that eliminate the entire assessed value will result in a refund of the total amount paid – including all lien fees. A refund that is made due to a partially exonerated assessment will require specific calculations. First, the tax, penalty, interest and fees due to the sheriff, county attorney and county clerk will all need to be recalculated to reflect the new lower assessed value. However, the \$5.00 clerk fee for each bill advertised, the advertising cost applied to the bill and all lien recording and release fees will be unaffected and the original amounts owed will need to be included in the adjusted amount due. Once the adjusted amount that would have been due has been finalized, that amount is subtracted from the original amount paid to arrive at the refund amount that is now due to the property owner. An example of this calculation is shown in the Appendix.

PERSONAL PROPERTY TAX BILLS

The county clerk's office will also receive payments on personal property certificates of delinquency. The interest and fees added to these delinquencies are the same as those added to delinquent real estate tax bills. Payments on these types of delinquencies can be included on the appropriate form that is used to report delinquent real property tax payments. Personal property certificates of delinquency are required to be included in the advertisement for certificates of delinquency; however, please keep in mind that these type of bills are not to be offered for sale at the county clerk's tax sale.

FRANCHISE TAX BILL DUTIES

Franchise or public service companies are assessed in Frankfort by a Division within the Department of Revenue. Companies that typically fall into this category include airlines; railroads and utilities. Assessments for these companies can get quite complicated and they can be finalized at any time during the year. This means that the clerk's office will likely receive assessment certifications throughout the year.

When these certifications are received, a franchise property tax bill needs to be generated as soon as possible. Unlike the regular county tax bills, the State portion of franchise bills is prepared and billed directly from the Department of Revenue. Therefore, only local property taxes will appear on a franchise tax bill that is prepared by the clerk's office. The normal real and personal property tax rates for each local taxing district are applied to each assessment certification received and then the bill is delivered to the sheriff's office for mailing and collecting. When a franchise assessment certification is received, thirty days should be allowed for payment of the tax due. If payment is not made within the thirty-day time period, a 21% penalty and interest at the tax interest rate is added to the total due.

In some instances, it is necessary to amend a franchise assessment certification. When an amendment increases the original assessment, an additional bill for the difference in the assessed value needs to be prepared. The company will then have two bills to pay. When an amendment decreases the original assessment, if the first bill has been paid, a refund can be made to reduce the total amount paid to reflect the lower assessed value. If the original bill has not been paid, it should be adjusted to reflect the lower assessed value; however, all penalties and interest in effect will continue to apply to the adjusted bill.

Delinquent franchise property tax bills are transferred to the county clerk's office on the 15th day of the fourth month after the initial 30-day time period allowed for payment has expired. When this occurs, the delinquency will be filed in the clerk's office in the same manner as all other county tax bills and it is subject to enforcement collection actions by the county attorney. If there are at least 90 days before the current year's tax sale, these types of delinquencies can be included in the sale. If there are less than 90 days until the current year's tax sale or if the tax sale for the current year has already been conducted, then the delinquent franchise tax bills can be held over to next year's tax sale.

BILLS FOR TELECOMMUNICATIONS COMPANIES AND DISTILLED SPIRITS

Tangible personal property owned by telecommunications companies and distilled spirits are also assessed centrally by personnel within the Department of Revenue. The assessment certifications will be received by the county clerk's office in the same manner as public service company assessments. However, the tax bills prepared for these assessment categories will follow the standard property tax collection schedule in place for the county's regular property tax bills. If these bills must be issued at a different time than the regular tax bills then thirty days will be allowed for the 2% discount, face amount, 5% penalty and 21% penalty collection periods.

Bills of these types that go delinquent can be transferred from the sheriff to the county clerk on the 15th day of the fourth month after the face amount collection period expires. These delinquencies will be filed by the county clerk in the same manner as all other personal property certificates of delinquency and subject to enforcement collection actions by the county attorney. They are also subject to being advertised in the appropriate manner by the county clerk's office. However, they are not eligible to be included in a tax sale since they represent only personal property.

INSTRUCTIONS FOR CITIES AND COUNTIES TAXING LOCAL DEPOSITS

Each bank with branches in Kentucky files with the Office of Property Valuation, Public Service Branch – by August 15th of each year – a consolidated return listing all of their deposits held in Kentucky as of the preceding June 30th. The Public Service Branch then issues a county certification to the County Judge Executive and a city certification to the City Clerk by October 1st of each year. These certifications will state the amount of the deposits within the jurisdiction and the amount of the tax due.

In accordance with KRS 136.375 each city and county and urban county government may tax deposits located within their jurisdiction; however, no other taxing district may levy a tax against bank deposits. The tax rate shall not exceed 25 thousandths of one percent (.025% or .00025) if imposed by counties or cities and 50 thousandths of one percent (.050% or .0005) if imposed by an urban county government.

A district that is newly enacting or changing a bank deposit tax must file a copy of their ordinance and a completed Certification of Tax Rate for Bank Deposits Franchise Tax (Revenue Form 62A862) with the Public Service Branch. These documents must be submitted prior to the October 1 certification date noted above.

The local taxing authority is responsible for issuing the bills to the financial institutions by December 1. All payments made by December 31 are allowed a 2% discount on the total due, while payments made in January must be for the face amount of the tax due. The county clerk may be responsible for preparing these types of tax bills for the county.

LOCAL BOARD OF ASSESSMENT APPEAL DUTIES

In accordance with KRS 133.125, the clerk or a member of the clerk's staff is required to serve as the clerk of the local board of assessment appeals each year. This board is comprised of three property owners in the county who are knowledgeable about local real estate values. Property owners who believe their property's assessed value is too high can file an appeal of the assessment after meeting with the property valuation administrator. These appeals are filed in the county clerk's office any time before and no later than one workday following the close of the real property tax roll inspection period. Taxpayers may file an appeal in person or by sending a letter or other written petition to the office. A facsimile or electronic image of a written petition can be accepted by the clerk's office. The appeal must state the reason for the appeal, identify the property for which the appeal is being filed and the taxpayer's opinion of the property's value. The clerk prepares a summary of all appeals filed for the property valuation administrator within three working days after the close of the tax roll inspection period.

At the local board hearings, the county clerk, or an authorized deputy, serves as clerk of the board of assessment appeals. The minutes maintained by the clerk shall show the name of the property owner, description of the property, the property valuation administrator's assessment of the property and the change in assessment (if any) made by the board. Copies of the board minutes shall be filed with the property valuation administrator and the Department of Revenue within five days of the adjournment of the board.

The county clerk is required to notify the taxpayer of the local board's decision by certified mail within three working days from the date of the decision. The notice sent should also inform the taxpayer how to appeal to the Kentucky Board of Tax Appeals (KBTA) if they are dissatisfied with the local board's decision and that any appeal must be filed with the KBTA within thirty days of the local board's decision.

The county clerk must certify to the county judge executive the number of days the local board was in session. The clerk or authorized deputy and each board member are entitled to receive \$100 for each day served on the board. One half of the amount due is paid by the county and one half is paid by the State. A reimbursement claim form is provided by the Department of Revenue for the clerk's use to obtain the State's share of the Local Board's cost.

PENALTY WAIVER GUIDELINES

In November of 2009, the Office of Property Valuation updated its guidelines for the waiver of penalty, fees and – in one instance – interest that apply to delinquent property tax bills. These guidelines are included in the Appendix of this manual.

While the tax bills are the responsibility of the sheriff's office to collect, only the sheriff, or an authorized deputy, will be involved in making a penalty waiver decision. After the delinquent tax bills have been transferred to the county clerk's office the county attorney is the local official charged with enforcing the collection of certificates of delinquency and the majority of waiver requests will be initiated by that office. However, the county attorney will likely consult with both the sheriff and county clerk before any final decision is made since fees due to each office are included in the total due on a certificate of delinquency. Included with the guidelines is a form that can be used to document why a waiver was granted. This form includes a signature line for the county clerk, county attorney and sheriff to indicate their agreement with the waiver decision made.

If the local officials are unsure if a waiver should be granted for a particular situation, all documentation can be forwarded to the Office of Property Valuation. After all information has been reviewed, a letter will be sent to both the taxpayer and the local officials detailing the decision made.

APPENDIX

FREQUENTLY ASKED QUESTIONS

1. Does a third party purchaser need a certificate from the Department of Revenue to purchase prior year delinquencies?

If a third party purchaser plans to acquire more than 3 certificates of delinquency in any county, more than 5 certificates of delinquency statewide or invest more than \$10,000 a registration certificate is needed from the Department of Revenue. This is the case even if a third party purchaser is only interested in purchasing certificates of delinquency from a previous year.

2. The deadline for registering for the tax sale is 10 days prior to the tax sale date. Is the 10 days “calendar” days or “business” days?

The 10-day time period prior to the tax sale date can be computed as “calendar” days. However, in accordance with KRS 446.030 the date of the sale must be excluded from the computation of the 10 calendar day deadline. For example, if the tax sale date is August 12th, the deadline for third party purchasers to submit all registration documents, fees and deposits would be August 2nd.

3. A third party purchaser only wants to acquire certificates of delinquency on which he or she has a prior year claim. They do not want to participate in the actual tax sale of current year certificates of delinquency. Does this third party purchaser have to be present on the date of the tax sale?

It is the Department of Revenue’s position that a third party purchaser does not have to be present when they are only acquiring certificates of delinquency on which they have a priority claim.

Keep in mind that the third party purchaser would still have to register with the Department of Revenue if the purchase thresholds are met. Additionally, the registration deadline established by the county clerk would also need to be observed.

4. Unrelated third party purchasers want to use the same representative at the tax sale. Can this be allowed?

Yes. The representative needs to fully disclose who he or she is representing and this should be made public to all participants at the tax sale so that there is no confusion regarding why this representative is making multiple selections during each round of the tax sale.

However, a county clerk also has the discretion to require each third party purchaser to have a representative present at the tax sale.

5. Can the cost of developing the website be included in the advertising expenses that are added to the certificates of delinquency on a pro rata basis?

The advertising costs that are used to come up with the pro rata amount to add to each certificate of delinquency need to be limited to the one-half page advertisement announcing the tax sale and the actual listing of the delinquent tax bills in the local newspaper.

6. Should certificates of delinquency under a payment agreement be advertised?

It is the Department of Revenue's position that all certificates of delinquency and personal property certificates of delinquency are to be advertised. This would include a certificate of delinquency that is under a payment agreement at the time the tax sale advertisement is published. If a taxpayer defaults on his or her payment agreement prior to the tax sale, the certificate of delinquency can be included in the pool of delinquencies available for sale since it has been advertised. If the taxpayer remains current on the payment agreement as of the tax sale date, the certificate of delinquency can be removed from the tax sale. The advertisement of the certificates of delinquency needs to contain language that some certificates may be excluded from the tax sale under the provisions of KRS 134.504(10)(b). The sample advertisement included in the "Forms" section of the Appendix includes this type of language.

7. Third party purchasers who are related parties both have priority claims against various current year certificates of delinquency. Can they both exercise their priority claims?

It is acceptable to have related third party purchasers exercise their priority claims against current year certificates of delinquency. What is not acceptable is to allow the related parties to both participate in the actual tax sale of current year certificates of delinquency.

8. If a taxpayer defaults on an installment payment plan, what is done with the money that was paid?

The county clerk will decide if the amount received by the county attorney will be credited against the total due or refunded to the taxpayer. Either way the certificate of delinquency will be included in the pool of bills available for purchase at the tax sale. If a credit is applied, the purchase price for the certificate of delinquency will be the amount that remains after applying the payments that were received. If a refund is made, the full amount of the certificate of delinquency will be the purchase price. County clerks will need to consider factors such as the capabilities of their office's collection software system, the amount paid and the percentage the amount paid is to the total amount due when making the decision on how to handle the partial payments. If it is decided that a refund will be made, the county clerk and county attorney need to work out which office will be responsible for issuing the refund.

9. My tax sale is over and now a third party purchaser is interested in purchasing some certificates of delinquency that remain on file in my office. Should a registration fee be charged?

A registration fee should be charged if the maximum fee of \$250.00 has not been reached due to purchases made earlier in the calendar year either prior to or at the tax sale. A \$10.00 registration fee per certificate of delinquency purchased needs to be charged until the maximum fee has been met.

10. Enforcement action has been taken against a certificate of delinquency and the property has been sold at a Master Commissioner's sale. The proceeds from the sale do not cover the other certificates of delinquency that were not purchased by a third party purchaser and remain on file in the county clerk's office. What is the proper procedure to follow?

KRS 134.420(5) states that the property tax lien continues in force until the matter is judicially terminated. The Master Commissioner's sale would represent the judicial termination of the action to enforce the lien contemplated by this statute. Therefore, the lien represented by the certificate of delinquency is extinguished by the Master Commissioner's sale.

When the proceeds from the sale are insufficient to pay all of the certificates of delinquency in full, the county clerk will start with the most recent certificate of delinquency and pay as many certificates in full as possible. Please refer to the example shown in the Appendix of the process to follow when a master commissioner's sale does not generate enough money to pay all the certificates of delinquency.

11. When a certificate of delinquency that has been purchased by a third party is reassigned to another third party, what fee should be charged by the county clerk for recording the reassignment?

Opinion of the Attorney General (OAG) 12-002 reviewed this issue and concluded the proper fee to charge for a reassignment of a certificate of delinquency is \$12.00. This opinion went on to state if the length of the reassignment document exceeded three pages, then an additional \$3.00 for each page in excess of three can also be charged. [KRS 64.012 was revised effective January 1, 2020 that changed this fee to \$33.00]

A copy of this Opinion follows.

OAG 12-002

February 29, 2012

Subject: Fee of county clerk for third-party assignment of certificate of delinquency

Requested by: Bobbie Holsclaw
Jefferson County Clerk

Written by: James M. Herrick
Assistant Attorney General

Syllabus: The proper fee of the county clerk for recording a reassignment of a certificate of delinquency from a third-party purchaser to a subsequent purchaser is the general fee of \$12.00 provided in KRS 64.012(1)(a).

Statutes construed: KRS 64.012, KRS 134.126

GAG's cited: OAG 72-152, OAG 79-313, OAG 82-432, OAG 84-197, OAG 84-260

Opinion of the Attorney General

KRS 134.010(1) defines a certificate of delinquency as "a tax claim on real property for taxes that [r]emains unpaid" three months and fifteen days after the due date and "[h]as been filed with the county clerk pursuant to KRS 134.122." Pursuant to KRS 134.128, the county clerk may sell certificates of delinquency to third-party purchasers, who may then assign the certificates to others under KRS 134.126(7). The clerk is to record the initial assignment to the third-party purchaser pursuant to KRS 134.126(5)(b). Subsequent assignments are to be recorded pursuant to KRS 134.126(7).

Jefferson County Clerk Bobbie Holsclaw has requested an opinion on the following question: "What is the proper fee for a county clerk to charge a [third] party buyer of a certificate of delinquency to assign that instrument to a subsequent purchaser?" There being no prior opinions or published cases on the issue, we begin with the plain language of the statutes. *Cf* OAG 79-313.

KRS 134.126(5)(b) states as follows:

If payment in full is made by a person other than the person primarily liable on the certificate, the person making the payment may request that the payment be treated as an assignment. Upon such request, the county clerk shall:

1. Note the assignment on the certificate of delinquency[;]
2. Record the encumbrance represented by the certificate of delinquency in the same manner as a notice of lis pendens; and
3. Include as part of the encumbrance recording the information required by KRS 134.490(3)(f) [*i.e.*, the name, address and telephone number of the third-party purchaser].

For recording the assignment and encumbrance, the county clerk shall receive the fee provided in KRS 64.012.

(Emphasis added.) KRS 64.012(33) specifically provides that the county clerk shall receive a fee of \$27.00 for "[n]oting the assignment of a certificate of delinquency and recording and indexing the encumbrance under KRS 134.126 or 134.127."

Meanwhile, KRS 134.126(6) states:

After the initial recording of an assignment of a certificate of delinquency ... as provided in subsection (5)(b) of this section, all subsequent actions relating to that certificate of delinquency ..., including assignments and releases shall be made in accordance with the general laws and procedures governing land records, except the additional information required by KRS 134.490(3)(f) shall be included. *The applicable fees established by KRS 64.012 shall apply.*

(Emphasis added.) KRS 64.012(1)(a), in pertinent part, provides the following fees for recording and indexing of a:

4. Deed of assignment;

.....
12. Release of any recorded encumbrance other than state liens;

.....
22. Recording with statutory authority for which no specific fee is set, except a military discharge; and

23. Filing with statutory authority for which no specific fee is set.

For all items in this subsection if the entire thereof does not exceed three (3) pages \$12.00

And, for all items in this subsection exceeding three (3) pages, for each additional page \$3.00

And, for all items in this subsection for each additional reference relating to same instrument \$4.00

The question, therefore, is whether the subsequent reassignment of a certificate of delinquency from the initial third-party purchaser to a subsequent third-party purchaser entitles the county clerk to the \$27.00 fee provided in KRS 64.012(33), or only to the \$12.00 general fee provided in KRS 64.012(1)(a).

We start from the premise that the law should be construed so as to give effect to all parts of a statute whenever possible. *George v. Scent*, 346 S.W.2d 784, 789 (Ky. 1961). "All statutes are presumed to be enacted for the furtherance of a purpose on the part of the legislature and should be construed so as to accomplish that end rather than to render them nugatory." *Com. ex rel. Martin v. Tom Moore Distillery Co.*, 287 Ky. 125, 152 S.W.2d 962, 967 (1939).

If the language in KRS 134.126(6), stating that after an initial assignment "all subsequent actions relating to that certificate of delinquency[,] *including assignments*[,] shall be made in accordance with the general laws and procedures governing land records," is to be given any meaningful effect, we must recognize that a subsequent assignment is to be treated differently from an initial assignment. Under the "general law" embodied in KRS 64.012(1)(a), the clerk's fee for filing a subsequent assignment of a certificate of delinquency is \$12.00, with an additional \$3.00 for each page in excess of three.

There is no inequity in the law's allowing the county clerk a lesser fee for recording a subsequent assignment of a certificate of delinquency than for the initial assignment, since more duties are required of the clerk in the case of an initial assignment. When a certificate of delinquency is first sold to a third-party purchaser, the county clerk must receive and record the payment (KRS134.126(1)(a)); issue a receipt (KRS 134.126(2)); report to various public officials (KRS 134.126(3)) and allocate the portions of the payment due to each entity (KRS134.126(4)); note the payment on the certificate along with the purchaser's name and address (KRS 134.126(5)(a)); note the assignment on the certificate (KRS 134.126(5)(b)(1)); prepare and record the instrument (KRS 134.126(5)(b)(2)), including the name, address, and phone number of the purchaser (KRS 134.126(5)(b)(3)); and index the assignment (KRS 382.290(5)).

By contrast, for a subsequent assignment by the third-party purchaser under KRS 134.126(6) pursuant to "the general laws and procedures governing land records," the county clerk is only required to record the privately prepared instrument (KRS 382.110); note the assignment on the certificate of delinquency with the name, address, and phone number of the assignee (KRS 134.126(6)); and note the assignment in the filing system (KRS 382.290(5)). Accordingly, both the letter of the law and the realities of the transaction dictate that the \$12.00 fee provided in KRS 64.012(1)(a) should apply to a subsequent assignment from one third-party purchaser to another.

Finally, it is appropriate that in the interest of clarity we address the so-called "cluster technique," by which multiple certificates of delinquency are reassigned through a single instrument filed with the county clerk. The Attorney General last spoke to this issue in 1984 in the context of what was then the \$5.00 fee for recording mortgage assignments:

Unfortunately, KRS 64.012 does not speak in terms of a fee for each mortgage effectively assigned in one instrument. In other words, it does not address the cluster technique, which is apparently employed as an economy in language and documents. The fee schedule under KRS 64.012, as applies to an assignment of real estate mortgages, is stated in language that envisions one single document of assignment, regardless of the multiplicity of assignments within the one document.

As we said in OAG 82-432, ... if the General Assembly had intended to prohibit "clustering" in such assignments, it could have easily said so by statute. The history of KRS 64.012 reflects that the fee schedule for the county clerks is constructed around a specific fee for the filing of a particular document, i.e., the singular is used. Thus the fee schedule does not deal specifically with the multiple transaction-within-one- document concept. As we wrote in OAG 72-152, ... any inequity which may arise from this clustered document approach will have to be remedied by the General Assembly.

OAG 84-197. In OAG 84-260, this office clarified that in the case of such multiple assignments, the clerk should be entitled to an additional \$2.50 "for making marginal notations on each real estate mortgage affected."

The "cluster technique" was codified by subsequent revisions to KRS 64.012, as was the remedy for the potential fee inequities we had examined in OAG 84-197. Under the current version of the statute, the clerk's additional fee is \$4.00 "for each additional reference relating to [the] same instrument."

Therefore, it is our opinion that the county clerk is entitled to a \$12.00 fee for recording a subsequent reassignment of a certificate of delinquency by a third-party purchaser, with an additional \$3.00 for each page in excess of three. For an instrument containing subsequent reassignments of multiple certificates of delinquency, the clerk is entitled to \$12.00 for recording the instrument, with an additional \$3.00 for each page in excess of three and an additional \$4.00 for noting the reassignment on each affected certificate in excess of one.

Jack Conway
Attorney General

James M. Herrick
Assistant Attorney General

PARTIAL PAYMENT CALCULATION EXAMPLE

With county attorneys now required to offer installment payment plans, county clerks will likely have to process partial payments on a more frequent basis. The following example will illustrate how to apply a partial payment to a certificate of delinquency.

Assume the following information:

Tax Amount	\$500.00
10% Delinquent Penalty	50.00
Sheriff's Add On Fee	55.00
Sheriff's Commission	<u>22.00</u>
Total of Certificate of Delinquency	\$627.00

The county clerk's office must then add interest and fees to the amount due when it is transferred from the sheriff's office to arrive at the grand total due. The first calculation the clerk must do is to compute the interest due. For the first month, the total due would be multiplied by .01 or 1% to determine the amount of interest due. In this example, interest through the end of April would be \$6.27 ($\$627.00 \times .01$).

After figuring the interest to charge, you can then calculate the county attorney's 20% fee and your office's 10% fee. KRS 134.126 and KRS 134.504 require that these fees be calculated on the amount due each taxing unit. This means that these fees are calculated on the total of the tax, 10% penalty and interest. In this example, the amounts to use would be as follows: \$500.00 tax amount, \$50.00 penalty and \$6.27 in interest for a total of \$556.27. Using this amount as the basis for each fee, the county attorney's fee would be \$111.25 ($\$556.27 \times 20\%$) and the county clerk's fee would be \$55.63 ($\$556.27 \times 10\%$).

A summary of the total amounts to charge in this example is as follows:

Tax Amount	\$500.00
10% Penalty	50.00
Sheriff's Add On Fee	55.00
Sheriff's Commission	22.00
Interest	6.27
County Attorney Commission	111.25
County Clerk Commission	55.63
Postage Due County Attorney for First Notice	1.00
Lien Recording and Release Fee	<u>10.00</u>
	\$811.15

If a taxpayer, under an installment payment agreement made a \$200.00 partial payment on the total due, the following procedures need to be followed:

Total Due in First Month	\$811.15
Partial Payment in First Month	<u><200.00></u>
Amount Due at the End of First Month	\$611.15

Detail of amount due at the end of the first month:

Tax Amount	\$300.00 (\$500.00-\$200.00)
10% Penalty	50.00
Sheriff's Add On Fee	55.00
Sheriff's Commission	22.00
Interest	6.27
County Attorney Commission	111.25
County Clerk Commission	55.63
Postage Due County Attorney	1.00
Lien Recording and Release Fee	<u>10.00</u>
Total Due	\$611.15

Calculations for the second month:

Interest would be computed as follows:

Remaining Tax Amount	\$300.00
10% Penalty	50.00
Sheriff's Add On Fee	55.00
Sheriff's Commission	<u>22.00</u>
Amount upon which interest is computed in Month 2	\$427.00

$\$427.00 \times 1\% = \4.27 in interest for month 2. This is added to the original interest amount of \$6.27, which results in a total interest charge of \$10.54 for month 2. The County Attorney and County Clerk commissions are also adjusted to reflect the new interest amount. The total due for the second month is as follows:

Remaining Tax Amount	\$300.00
10% Penalty	50.00
Sheriff's Add On Fee	55.00
Sheriff's Commission	<u>22.00</u>
Amount upon which interest is computed in Month 2	\$427.00
Interest	10.54 (6.27+4.27)
County Attorney Commission	112.11 (500+50+10.54)x 20%
County Clerk Commission	56.05 (500+50+10.54)x 10%
Postage Due County Attorney	1.00
Lien Recording and Release Fee	<u>10.00</u>
Total Due for Second Month	\$616.70

This process would continue until the partial payments paid off the tax and penalty. At that time, payments would then be applied to the various interest and fee amounts until they are paid in full.

COMPUTATION TO DETERMINE ADVERTISING COSTS TO ADD TO CERTIFICATES OF DELINQUENCY

The cost incurred for advertising the certificates of delinquency can be added to each certificate on a pro-rata basis. In accordance with KRS 134.128(5)(c), a formula that takes into account that a percentage of the delinquent tax claims will remain unpaid shall be developed by the Department of Revenue for use by the county clerk in allocating the advertising costs among each certificate of delinquency. A statewide survey of county clerk's offices indicated that approximately 55% of the 2019 delinquent tax bills received from the sheriff remained unpaid in December of 2020. Therefore, the factor to apply to the advertising costs for the 2020 certificates of delinquency will be 55%. The formula to use is as follows:

Step 1 – Total Advertising Costs Incurred divided by the Number of Certificates of Delinquency.

Step 2 – The result in Step 1 is then multiplied by 1.55 to increase the amount by 55%.

Step 3 – The amount arrived at in Step 2 can then be rounded up to the next even dollar.

The following example will illustrate the use of the above formula. If it costs \$4,250 to advertise 650 certificates of delinquency, the advertising cost that can be added to each certificate is computed as follows:

Step 1 - $\$4,250 / 650 = \6.54

Step 2 - $\$6.54 \times 1.55 = \10.14

Step 3 - \$10.14 can then be rounded up to \$11.00

Therefore, \$11.00 would be the appropriate advertising fee to add to each certificate of delinquency in this example.

**APPLICATION OF PROCEEDS FROM MASTER COMMISSIONER’S SALE
WHEN ALL CERTIFICATES OF DELINQUENCY CANNOT BE PAID IN FULL**

In this example, a third party purchaser acquired certificates of delinquency for 2018 and 2019; however, certificates of delinquency from 2016 and 2017 remain on file in the county clerk’s office. The third party purchaser elects to enforce his or her lien through a Master Commissioner’s sale. After expenses and payments to the third party purchaser, \$2,000 is received by the county clerk for the 2016 and 2017 certificates of delinquency in March of 2021. The total amount due for the 2017 certificate of delinquency is \$1,417.78. The total due on the 2016 certificate of delinquency is \$1,846.04. The following illustration will detail the process the county clerk’s office will use to properly account for the payment received.

The amount received is first applied to the most recent certificate of delinquency - 2017 in this example. Since the amount received exceeds the total due on this certificate of delinquency it can be paid in full in the normal manner.

After paying the 2017 certificate of delinquency in full a total of \$582.22 (\$2,000 - \$1,417.78) remains to be applied to the 2016 certificate of delinquency. The breakdown of the 2016 certificate of delinquency is as follows:

State	\$125.00
County	90.00
School	400.00
Library	75.00
Extension	50.00
Soil	35.00
Total Tax	\$775.00
10% Penalty	77.50
Sheriff’s Add-On Fee	85.25
Sheriff’s Commission	34.10
Interest	466.49*
County Attorney	263.80
County Clerk	131.90
Lien Fee	10.00
Postage	2.00
Total Due	\$1,846.04

*Assumes the 2016 delinquent tax bill was transferred by the sheriff to the county clerk’s office in April of 2017. In this example the payment from the Master Commissioner was received in March of 2021. Therefore, 48 months’ worth of interest has been added to the total due.

The amount remaining to apply to the 2016 certificate of delinquency (\$582.22) represents 31.54% of the total amount (582.22 / 1,846.04). Therefore, each component of the 2016 certificate of delinquency needs to be multiplied by .3154.

	Original Amount	Factor	Prorated Amount
State	125.00	.3154	39.42
County	90.00	.3154	28.39
School	400.00	.3154	126.16
Library	75.00	.3154	23.65
Extension	50.00	.3154	15.77
Soil	35.00	.3154	11.04
Total Tax	775.00		244.43
10% Penalty	77.50	.3154	24.44
Sheriff's Add-on Fee	85.25	.3154	26.89
Sheriff's Commission	34.10	.3154	10.75
Interest	466.49	.3154	147.13
County Attorney	263.80	.3154	83.20
County Clerk	131.90	.3154	41.60
Lien Fee	10.00	.3154	3.15
Postage	2.00	.3154	.63
Total Due	1,846.04		582.22

**ADJUSTMENT OF CERTIFICATE OF DELINQUENCY
FOR A PARTIAL EXONERATION**

A property owner with a home assessed for \$250,000 did not pay her property taxes and a certificate of delinquency was filed in the county clerk's office with the following amounts due:

State	\$ 305.00
County	150.00
School	1,500.00
Library	500.00
Extension	62.50
Fire	250.00
Total Tax	\$2,767.50
10% Penalty	\$ 276.75
Sheriff's Add-on Fee	304.43
Sheriff's Commission	121.77
Interest	416.45*
County Attorney	692.14
County Clerk	346.07
Lien Fee	10.00
Postage	2.00
County Clerk's fee	5.00
Assumed advertising cost	10.00
Total Due	\$4,952.11

*Assumes this certificate of delinquency is 12 months old.

The county clerk has now received an exoneration form from the property valuation administrator's office that reduces the assessment from \$250,000 to \$210,700 due to a homestead exemption. The amount now due is recalculated as follows:

State	\$ 257.05
County	126.42
School	1,264.20
Library	421.40
Extension	52.68
Fire	210.70
Total Tax	\$2,332.45
10% Penalty	\$ 233.25
Sheriff's Add-on Fee	256.57
Sheriff's Commission	102.63
Interest	350.99
County Attorney	583.34

County Clerk	291.67
Lien Fee	10.00
Postage	2.00
County Clerk's Fee	5.00
Assumed Advertising Cost	10.00
Adjusted Total Due	\$4,177.90

You will note that the exoneration impacts all tax amounts, penalties, fees, commissions and interest. However, the lien fee, postage, the specific county clerk fee for advertising the delinquency and the advertising cost applied to this certificate of delinquency remain unchanged.

REFUND CALCULATION EXAMPLE

Using the original and adjusted tax amounts in the previous example, let's assume the original certificate of delinquency amount was paid in the county clerk's office and then the exoneration from the property valuation administrator's office was received. The recalculation process would need to be done as illustrated in the previous example and you would determine that the actual amount that should have been paid was \$4,177.90. Since the property owner paid your office \$4,952.11, a refund of \$774.21 is now due.

Assuming your office has sufficient funds to issue this refund, a refund check can be sent to the property owner and the appropriate amount is then deducted from each taxing district's receipts on your next monthly collection report.

The process to determine the appropriate amount of the refund to apply against each taxing district and local official's receipts is a multi-step process. First, the 10% penalty and interest must be pro-rated to each taxing district based on what percentage a district's tax amount is of the grand total tax due. Then the appropriate amount of penalty and interest is added to the tax amount that was due each district. Those amounts are then combined with the sheriff's commission and fee, the county attorney's commission and the county clerk's commission amounts. Then the percentage that each of those individual totals is to the grand total must be determined. Those percentages are then applied to the refund amount to arrive at the proper amount to deduct from each taxing district's next monthly collection report and the adjustment to make on the next distribution of fees to each local official. The following page will illustrate these calculations:

State	\$ 305.00	11.02%
County	150.00	5.42%
School	1,500.00	54.20%
Library	500.00	18.07%
Extension	62.50	2.26%
Fire	250.00	9.03%
Total Tax	\$2,767.50	100.00%

The total penalty and interest charged was \$693.20 (\$276.75 + \$416.45)

The State's share of the penalty and interest would be \$76.39, which is determined by multiplying the 11.02% by \$693.20. The other district's share of the penalty and interest would be calculated by multiplying their specific percentage of the total tax due by the penalty and interest amount of \$693.20.

This results in the next set of totals upon which the second pro-ration needs to be done:

	Tax	Pro-rated Tax & Penalty	Total
State	\$ 305.00	76.39	\$ 381.39
County	150.00	37.57	187.57
School	1,500.00	375.71	1,875.71
Library	500.00	125.26	625.26
Extension	62.50	15.67	78.17
Fire	250.00	62.60	312.60
Sheriff's Add-on Fee			304.43
Sheriff's Commission			121.77
County Attorney			692.14
County Clerk			346.07
Grand total			\$4,925.11

Each individual entity's total is then divided by the grand total to get a percentage to the grand total. For example, the State's percentage is determined by dividing 381.39 by 4,925.11 to arrive at 7.74%. The chart below will depict the percentages for each entity.

	Tax	Pro-rated Tax & Penalty	Total	Percentage to Total
State	\$ 305.00	76.39	381.39	7.74%
County	150.00	37.57	187.57	3.81%
School	1,500.00	375.71	1,875.71	38.08%
Library	500.00	125.26	625.26	12.70%
Extension	62.50	15.67	78.17	1.59%
Fire	250.00	62.60	312.60	6.35%
Sheriff's Add-on Fee			304.43	6.18%
Sheriff's Commission			121.77	2.47%
County Attorney			692.14	14.05%
County Clerk			346.07	7.03%
Grand total			\$4,925.11	100%


Now you are ready to pro-rate the refunded amount to each entity. The State's share of the refund would be \$774.21 (the total amount of the refund) x 7.74% = 59.92. This amount would be subtracted from the next monthly collection report prepared for the State. In a similar manner, you would adjust the amounts remitted to all of the other entities by multiplying the total refund amount by the applicable percentage.

PENALTY WAIVER GUIDELINES

Commonwealth of Kentucky
Finance and Administration Cabinet
Department of Revenue
Office of Property Valuation
501 High Street Post Office Box 1202
Frankfort KY 40602-1202

MEMORANDUM

To: Kentucky Sheriffs
Kentucky County Attorneys
Kentucky County Clerks
Kentucky Property Valuation Administrators

From: David L Gordon 
Executive Director, Office of Property Valuation

Date: 12 November 2009

RE: Guidance for the Waiver of Penalties and Interest on Real and Personal Property

** ** * ** **

The Kentucky Department of Revenue (“Department”) has developed the following guidance to allow the county attorneys under contract with the Department, sheriffs, and county clerks, to provide for the waiver of penalties and, in one instance, interest at the local level as the agent for the Department. KRS 131.140(2) The county attorneys acting under contract with the Department, sheriffs, and county clerks are allowed to waive penalties and interest, when the waiver will facilitate the collection of the delinquent tax bill and further, to prevent any injustice to the taxpayer. In light of the fact that the local official will be more familiar with the taxpayer and his or her circumstance, each waiver of penalties and interest reviewed by the local official should be done on a case-by-case basis, with each taxpayer’s circumstance being reviewed independently.

KRS 133.220 requires the county clerk to prepare for the use of the sheriff or collector a correct tax bill for each taxpayer in the county whose property has been assessed and whose valuation is included in the certification provided in KRS 133.180. Unfortunately, errors can occur on a tax bill, some of which are beyond the control of the taxpayer, which can result in the failure of the taxpayer not receiving a notice of tax due.

KRS 131.175 allows for the waiver of penalties when it is shown that the failure to pay is due to “reasonable cause”. Though KRS 131.175 specifically does not allow for the waiver of interest, KRS 131.081(6) does allow for the waiver of interest when it is shown that the taxpayer has relied on written advice from the Department, which would include written advice from a local official.. Waiver of penalties and interest should only be granted as a matter of settlement and for the purpose of facilitating the collection of the

tax, as allowed by KRS 131.030(3). Further, no authority is provided by the Kentucky General Assembly to reduce the amount of tax due, unless there is a clerical, mathematical or procedural error in an assessment or any duplication of an assessment and that error has been reviewed and approved by the Department. KRS 133.110.

The sheriff may waive the penalties and interest that have been added when the tax bill is payable to the sheriff's office whenever reasonable cause has been demonstrated. If a waiver of a penalty and interest on a property tax bill is granted after the tax bill is transferred to the county clerks' office, each of the local officials affected by the waiver of the penalties and interest must sign the form.

The Department encourages the local officials to communicate and participate with each other in the decision to waive any penalty and interest related to this memorandum

I. GUIDELINES FOR WAIVER OF PENALTY AND INTEREST

KRS 131.175 allows for the waiver of penalties when there is shown "reasonable cause". KRS 131.010(9) defines reasonable cause as an event, happening, circumstance entirely beyond the knowledge or control of a taxpayer who has exercised due care and prudence in the filing of a return or report or the payment of monies due the Department pursuant to law or administrative regulation.

The waiver of interest can only occur when the taxpayer has shown that he or she has relied on erroneous written advice from the Department, which includes erroneous written advice from a local official. KRS 131.081(6)

A taxpayer's demonstration of reasonable cause relieves the taxpayer of paying a penalty and interest because payment would be unfair to the taxpayer in light of the circumstances surrounding the nonpayment of tax. A review by the local official of the circumstance provided by the taxpayer should be done on a case-by-case basis, with each taxpayer's circumstance being reviewed independently.

103 KAR 1:040 enumerate the circumstances constituting reasonable cause, which are as follows:

1. The taxpayer has relied on erroneous written advice from the Department, which would include erroneous written advice from a local official;
2. Death or serious illness of a taxpayer or his or her immediate family at the time the tax bills were mailed or due;
3. Death or serious illness of the taxpayer's tax return preparer at the time the tax bills were mailed or due;
4. Unavoidable absence of the taxpayer when the tax bills were mailed or due;

5. Destruction or unavailability of taxpayer records due to a catastrophic event at the time the tax bills were mailed or due;
6. Inability to obtain records in custody of a third party. For example, taxpayer divorced and the tax bill was mailed to the person other than who received the property under the terms of the divorce decree;
7. Employee theft or defalcation of taxpayer's financial records;
8. Undue hardship which can include the loss of a job or an unexpected emergency at the time the tax bills were mailed or due;
9. Human error. For example, the taxpayer's name or address may be misspelled and the taxpayer does not receive the bill;
10. Erroneous written advice by tax advisor on which it was reasonable for the taxpayer to rely;
11. Reliance on substantial legal authority;
12. Ignorance of reporting requirements due to the lack of previous tax and penalty experience. For example, the taxpayer moved in or out of state but failed to update the address with the property valuation administrator's office. Another example is when a taxpayer purchases property after January 1 and the tax bill is sent to the January 1 owner. The new owner is unaware of the delinquency the sheriff sends a second notice or the county attorney contacts the taxpayer about the delinquent tax bill;
13. Miscellaneous. The taxpayer has submitted a written waiver of penalties and fees and it is decided that the statements of the taxpayer establishes reasonable cause for delay in filing of a return or paying a tax which clearly negates negligence on the part of the taxpayer.

II. DOCUMENTATION

The Department has developed a form for use by the local official which documents why a taxpayer should be granted a waiver of a penalty and interest. The circumstance for waiver of penalties or interest correspond with the ones listed in 103 KAR 1:040. The local official should simply check the box that applies and sign the form. If a waiver is granted for a miscellaneous reason, then please provide details in the section marked "other".

If a penalty and interest on a property tax bill is waived while the sheriff is the local official responsible for its collection, only the sheriff or an authorized deputy is required to sign the form. A copy of the signed form may be provided to the taxpayer if a copy is requested. The original, signed copy should remain on file with the sheriff's office. The Department will review these forms as part of the settlement process to complete a collection cycle. These forms are also subject to inspection by the Auditor of Public Accounts.

If a waiver of a penalty and interest on a property tax bill is granted after the tax bill is transferred to the county clerks' office, each of the local officials affected by the waiver of the penalties and interest must sign the form. Again, a copy of the signed form may be provided to the taxpayer upon request. The original signed copy should remain on file in the County Clerk's office for review by the Department and the Auditor of Public Accounts.

III. CONCLUSION

The situations detailed in this memorandum describe the most common occurrences encountered. The local official should not hesitate to contact the Department for further consideration of any situation, listed or unlisted, in this memorandum. Please contact the Office of Property Valuation at (502) 564-8338 for further discussion.

**WAIVER OF PROPERTY TAX PENALITIES
(AND INTEREST UNDER KRS 131.081(6) ONLY)**

Name of Taxpayer

County

Year

Tax Bill Number(s)

PENALTIES WAIVED

(Please check the box that applies)

- Taxpayer has relied on erroneous written advice from the Department or a local official. **(103 KAR 1:040(1))**
- Death or serious illness of a taxpayer or a member of the taxpayer's immediate family at time the tax bills were mailed or due. **(103 KAR 1:040(2))**
- Death or serious illness of the taxpayer's tax return preparer at the time the tax bills were mailed or due. **(103 KAR 1:040(3))**
- Unavoidable absence of the taxpayer at the time tax bills were mailed or due. **(103 KAR 1:040(4))**
- Destruction or unavailability of taxpayer records due to a catastrophic event at the time the tax bills were mailed or due. **(103 KAR 1:040(5))**
- Inability to obtain records in custody of a third party. For example, taxpayer divorced and the tax bill was mailed to the person other than who received the property under the terms of the divorce decree. **(103 KAR 1:040(6))**
- Employee theft or defalcation (misuse of funds) of taxpayer's financial records. **(103 KAR 1:040(7))**
- Undue hardship which can include the loss of a job or unexpected emergency at the time the tax bills were mailed or due. **(103 KAR 1:040(8))**
- Human error. For example, the taxpayer's name or address may be misspelled and the taxpayer does not receive the bill. **(103 KAR 1:040(9))**
- Erroneous written advice by tax advisor on which it was reasonable for the taxpayer to rely. **(103 KAR 1:040(10))**
- Reliance on substantial legal authority. **(103 KAR 1:040(11))**
- Lack of previous tax and penalty experience by the taxpayer. For example, the taxpayer moved in or out of state, but failed to update the address with the property valuation administrator's office. Another example is when a taxpayer purchases property after January 1 and the tax bill is sent to the January 1 owner. The new owner is unaware of the delinquency, the sheriff sends a second notice or the county attorney contacts the taxpayer about the delinquent bill. **(103 KAR 1:040(12))**

- Miscellaneous. The taxpayer has submitted a written waiver of penalties and it is decided that the statements of the taxpayer establishes reasonable cause for delay in filing of a return or paying a tax which clearly negates negligence on the part of the taxpayer.

(103 KAR 1:040(14))

Explain:

Sheriff's Signature and Date

Clerk's Signature and Date – If waiver involves a delinquency filed in the clerk's office

County Attorney's Signature and Date – If waiver involves a delinquency filed in the clerk's office and County Attorney is under contract with the Department to collect delinquent property tax bills.

**DEPARTMENT OF REVENUE PROCEDURE FOR
OMITTED REAL PROPERTY TAX BILLS**

Commonwealth of Kentucky
Department of Revenue
501 High Street, Frankfort, KY 40601
<https://revenue.ky.gov>

Kentucky Revenue Procedure
KY-RP-19-04

SUBJECT: Duties in Taxing Omitted Real Property

EFFECTIVE DATE: November 2, 2020

PUBLICATION DATE: October 26, 2020

SUPERSEDES: N/A

REFERENCE: [KRS 132.310](#)

SCOPE: The purpose of a Revenue Procedure is to provide procedural guidance to the public and Kentucky Department of Revenue (“KDOR”) personnel. It is guidance issued to assist in the administration of laws and administrative regulations (“regulations”) by providing guidance that may be followed in order to comply with the law. It is effective until withdrawn, superseded, or modified by a change in statute, regulation, case law, or other DOR guidance.

I. BACKGROUND INFORMATION

This Revenue Procedure replaces KY-RP-19-04 dated November 1, 2019, and sets out the responsibilities of each county official in the assessment, preparation of tax bills, and collection of omitted property taxes.

Any real property that has not been listed for taxation, for any year in which it is taxable, by the time the Board of Assessment Appeals completes its work for that year is deemed omitted property.

II. RESPONSIBILITIES OF PROPERTY VALUATION ADMINISTRATOR

Real Property:

KRS 132.310 reads in part:

- (1) Any person who has failed to list for taxation any property omitted from assessment, except such as is subject to assessment by the Department of Revenue, may at any time list such property with the property valuation administrator. The property valuation administrator shall proceed to assess any omitted real property and shall within ten (10) days from the date the real property was listed notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS

132.450(4). The Department of Revenue shall assess any omitted personal property and provide notice to the taxpayer in the manner provided in KRS 131.110.

- (2) The property valuation administrator may at any time list and assess any real property which may have been omitted from the regular assessment. Immediately upon listing and assessing omitted real property, the property valuation administrator shall notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS 132.450(4).

Tangible Personal Property:

The property valuation administrator (PVA) is *not* authorized to assess omitted tangible property. The PVA must forward a list of any omitted tangible property discovered or voluntarily listed by a taxpayer to the Office of Property Valuation (OPV). OPV will assess the property and directly bill the taxpayer. The PVA does not certify omitted tangible assessments to the county clerk.

III. RESPONSIBILITIES OF THE COUNTY CLERK

The county clerk is the only county official who can legally prepare a property tax bill and then only upon proper certification. Regular tax bills must be prepared only after certification by OPV or as directed by, Revenue Form 62A366 "Order Correcting Erroneous Assessment" signed by the PVA. Omitted real property tax bills may be prepared only on receipt of Revenue Form 62A379 "Listing of Omitted Property" from the PVA. Tax bills generated after litigation must be prepared in compliance with orders from the Kentucky Board of Tax Appeals or court orders from the circuit court or the Court of Appeals.

Additional property tax bills or supplemental bills directed to be prepared in compliance with orders from the Kentucky Board of Tax Appeals or court orders from the circuit court or the Court of Appeals must be listed on the reverse side of Revenue Form 62A367 "Authorization for Preparing Additional/ Supplemental Property Tax Bills." The clerk must complete the face of this receipt for the total of taxes due each taxing district and give the bills to the sheriff for collection after the sheriff signs the three copies of the receipt.

Revenue Form 62A379 listing omitted property provides space for indicating whether the property is voluntarily or involuntarily listed. The clerk must add a 10 percent penalty if voluntarily listed or a 20 percent penalty for omission if the property has been involuntarily listed by the PVA. In addition to the penalty, the clerk must add interest accruing from the date the tax would have become delinquent (if the property had been listed as required by law) to the date the tax bill is collected. Interest rates are set for each year beginning January 1 and are based on the prime interest rate for the preceding September. If the prime interest rate varies by at least one percentage point from the existing tax interest rate, then the tax interest rate is adjusted accordingly.

The interest rate that applies to omitted real property tax bills is two percentage points higher than the statutory tax interest rate.

The tax interest rate for 2019 and 2020 (for assessments of property owned on January 1, 2018, and January 1, 2019) is 5 percent. This means the interest rate that will be applied to omitted 2018 and 2019 property tax bills will be 7 percent (the tax interest rate plus 2 percent). The interest is figured as follows:

$$\begin{aligned} 7\% \div 366 \text{ days} &= .01912568\% \text{ per day for 2020} \\ 7\% \div 365 \text{ days} &= .01917808\% \text{ per day for 2019} \end{aligned}$$

The tax interest rate for 2018 (for assessments of property owned on January 1, 2017) is 4 percent. This means the interest rate that will be applied to omitted 2017 property tax bills will be 6 percent (the tax interest rate plus 2 percent). The interest is figured as follows:

$$6\% \div 365 \text{ days} = .01643836\% \text{ per day for 2018}$$

The tax interest rate for 2017 and 2021 is 3 percent. This translates to an interest rate of 5 percent (the tax interest rate plus 2 percent) that will be applied to omitted 2016 and 2020 property tax bills.

$$5\% \div 365 \text{ days} = .01369863\% \text{ per day for 2017 and 2021}$$

The following example will demonstrate how to calculate the state's portion of an omitted tax bill issued June 1, 2021. The interest will be calculated through June 30, 2021. Assume the assessment was omitted beginning with the 2016 tax year and the assessed value each year is \$10,000.

	Delinquent Date	State Tax Rate	Tax	Penalty	Interest*	Total
2016	2017	12.2	\$ 12.20	\$ 1.22	\$ 3.34	\$ 16.76
2017	2018	12.2	\$ 12.20	\$ 1.22	\$ 2.73	\$ 16.15
2018	2019	12.2	\$ 12.20	\$ 1.22	\$ 2.00	\$ 15.42
2019	2020	12.2	\$ 12.20	\$ 1.22	\$ 1.15	\$ 14.57
2020	2021	12.2	\$ 12.20	\$ 1.22	\$ 0.30	\$ 13.72
Total Tax Bills			\$ 61.00	+ \$ 6.10	+ \$ 9.52	= \$ 76.62

*Interest figured from the time the bill became delinquent as prescribed in KRS 132.290(4) as follows:

Interest Starts Jan. 1	Days		Interest Factor		Interest Percentage		Original Tax Amount		Total Interest
<u>2016 Bill</u>									
2017	365	X	0.01369863	=	5%	X	12.2	=	\$ 0.61
2018	365	X	0.01643836	=	6%	X	12.2	=	\$ 0.73
2019	365	X	0.01917808	=	7%	X	12.2	=	\$ 0.85
2020	366	X	0.01912568	=	7%	X	12.2	=	\$ 0.85
2021	181	X	0.01369863	=	2.48%	X	12.2	=	<u>\$ 0.30</u>
									\$ 3.34
<u>2017 Bill</u>									
2018	365	X	0.01643836	=	6%	X	12.2	=	\$ 0.73
2019	365	X	0.01917808	=	7%	X	12.2	=	\$ 0.85
2020	366	X	0.01912568	=	7%	X	12.2	=	\$ 0.85
2021	181	X	0.01369863	=	2.48%	X	12.2	=	<u>\$ 0.30</u>
									\$ 2.73
<u>2018 Bill</u>									
2019	365	X	0.01917808	=	7%	X	12.2	=	\$ 0.85
2020	366	X	0.01912568	=	7%	X	12.2	=	\$ 0.85
2021	181	X	0.01369863	=	2.48%	X	12.2	=	<u>\$ 0.30</u>
									\$ 2.00

2019 Bill

2020	366	X	0.01912568	=	7%	X	12.2	=	\$ 0.85
2021	181	X	0.01369863	=	2.48	X	12.2	=	<u>\$ 0.30</u>
									\$ 1.15

2020 Bill

2021	181	X	0.01369863	=	2.48%	X	12.2	=	<u>\$ 0.30</u>
									\$ 0.30

From the information contained on Revenue Form 62A379 "Listing of Omitted Property" the clerk prepares a separate Revenue Form 62A301-S "Omitted Real Estate Tax Bill" for each year that the property was omitted. The clerk places the omitted tax bill number, the date issued, and signature in the spaces provided at the bottom of the Listing of Omitted Property. The Sheriff's Official Receipt for Omitted Property Tax Bills on the reverse side of the listing form is then prepared. The three copies of the receipt are presented to the sheriff with three copies of each omitted tax bill. The fourth "Clerk's Copy" of the omitted bill remains in the book as a permanent record. If the sheriff accepts the omitted bills as prepared, he or she must acknowledge acceptance by signing the receipt. The clerk must acknowledge the sheriff's signature and complete the certification at the bottom of the receipt.

The clerk then returns one copy of the Listing of Omitted Property with the completed receipt on the reverse side to the PVA, retains one copy for the permanent file, and mails one copy to OPV at the end of each month attached to Revenue Form 62A364 "County Clerk's Monthly Report of Omitted Assessments."

IV. RESPONSIBILITIES OF THE SHERIFF

Sheriffs must not accept any omitted tax bills that do not include penalty and interest computed according to law. The sheriff will be charged with all penalty and interest on his final settlement whether or not it was collected from the taxpayer, unless a penalty waiver has been granted for reasonable cause.

The taxpayer has 30 days from the date of the bill to pay without additional penalty and interest. Any omitted tax bill not paid within this period is subject to additional interest based upon the tax amount, an additional 10 percent penalty on the tax, penalty and interest and an additional sheriff's fee of 10 percent based on the tax and 10 percent penalties. A delinquent omitted tax bill must be transferred to the County Clerk's Office three months and fifteen days after the initial thirty-day payment period.

The sheriff receives three copies of Revenue Form 62A301-S "Omitted Real Estate Tax Bill" from the county clerk. He or she immediately mails the third "Taxpayer's Notice" copy to the taxpayer. The first "Taxpayer's Receipt" copy is to be given to the taxpayer at the time the bill is paid. The second "Sheriff's Copy" is retained as the permanent record of the sheriff. All collections of omitted real estate taxes must be reported monthly in the spaces provided on Revenue Form 62A394 "Sheriff's Monthly Report of Property Tax Collections."

V. QUESTIONS

For questions concerning this guidance, contact Policy at DORtaxpolicy@ky.gov.

ISSUED BY: Office of Tax Policy & Regulation, Kentucky Department of Revenue

**FORMS SENT TO THE COUNTY CLERK TO
COMPILE PROPERTY TAX RATES FROM
EACH LOCAL TAXING DISTRICT**

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
OFFICE OF PROPERTY VALUATION
OMITTED TANGIBLE BRANCH
STATION 32 4TH FL, 501 HIGH STREET
FRANKFORT, KY 40601-2103
Phone (502) 782-2477 Fax (502) 564-8192

July 15, 2020

LISA GREER
424 PUBLIC SQUARE STE 3
COLUMBIA, KY 42728-1478

ADAIR COUNTY

+++++ FIRST REQUEST +++++

RE: Request for 2020 Kentucky Property Tax Rates - Regular & Local Option

This correspondence is an official request for your 2020 county tax rate information. The Department of Revenue, Office of Property Valuation must annually collect the current real and personal property tax rates imposed by all taxing jurisdictions legally established within the Commonwealth of Kentucky. Due to the fact that these rates are used by the Department of Revenue to calculate your taxes, it is imperative that your compliance with this request be accurate and timely.

Please be advised that the Department of Revenue operates numerous computer systems that contain local tax rate information. These systems are maintained for the purpose of assessing, certifying and/or collecting and distributing current and omitted personal and real property taxes and public service company (franchise) property taxes for which the local governments are the primary recipients. Furthermore, the Department organizes the tax rate information to produce an annual publication for public use called the 'Kentucky Property Tax Rates'.

To comply with our request, please complete and return the following documents to the Department of Revenue within 45 days of the Departments Certification in accordance with KRS 132.0225:

- 1) the enclosed schedule, completed in its entirety;
- 2) an official copy(s) of the final tax ordinance(s) that established your 2020 county, school, city and special tax rate(s) even if enacted prior to 2020;
- 3) a copy(s) of a 2020 real property tax bill(s) and a personal property tax bill(s) that illustrates your county, school, city and special jurisdiction tax rate(s).

Failure to provide your tax rate information could jeopardize the collection and distribution of state and local tax dollars to your jurisdiction. If your tax rates have not been set, please remit the information as soon as it is available. If you need to refer to your 2019 tax rates, please visit the DOR web site <http://revenue.ky.gov/pvanetwork/> to view the 2019 tax rate book. If you have any questions or need assistance regarding this matter, please contact Kathryn Reaves at (502) 782-2477 or via email at kathryn.reaves@ky.gov . Thank you for your time and immediate attention to this matter.

Sincerely,

Division of State Valuation
Office of Property Valuation

**ADAIR COUNTY
2020 COUNTY TAX RATE WORKSHEET**

TAX JURISDICTION	2019 REAL ESTATE	2019 TANG PERSONAL	2019 MERCH INVENT	2019 DOC WATER	2019 PERSONAL AIR	2019 INVENT IN TRANSIT	2020 REAL ESTATE	2020 TANG PERSONAL	2020 MERCH INVENT	2020 DOC WATER	2020 PERSONAL AIR	2020 INVENT IN TRANSIT
COUNTY - AMBULANCE	7.4000	7.4000	7.4000	7.4000	7.4000	7.4000						
COUNTY - EXTENSION SERVICES	6.4300	10.1313	10.1313	10.1313	10.1313	10.1313						
COUNTY - HEALTH CENTER	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000						
COUNTY - HOSPITAL DISTRICT	10.0000	10.0000	10.0000	10.0000	10.0000	0.0000						
COUNTY - LIBRARY	5.4000	6.0300	6.0300	6.0300	6.0300	6.0300						
COUNTY - SOIL CONSERVATION	1.8000	0.0000	0.0000	0.0000	0.0000	0.0000						
COUNTY - FISCAL COURT - GENERAL	14.5000	18.1450	18.1450	18.1450	18.1450	0.0000						
SCHOOL - ADAIR COUNTY - GENERAL	54.2000	54.2000	54.2000	54.2000	54.2000	0.0000						
CITY - COLUMBIA	22.5000	22.5000	22.5000	22.5000	22.5000	0.0000						

OTHER PROPERTY RELATED TAXES (Please make any needed corrections, changes, additions or deletions.)

TIMBERBERLAND FIRE PROTECTION 2.0 CENTS PER ACRE

Name / Title (please print): _____ Address: _____

Phone / Fax: () () _____ Address: _____

Authorizing Signature: _____ E-mail: _____ Date Signed: _____



PROPERTY TAX RATE REQUEST FORM FOR TAX YEAR _____

* Please fill-in the current year on the blank line above.

ORIGINAL TO: KY Department of Revenue

Office of Property Valuation
 FAX: (502) 564-8192
 EMAIL: Megan.Greene@ky.gov
 PHONE: (502) 564-7378
 EMAIL: Katie.Young@ky.gov
 PHONE: (502) 782-5862

The original form should be completed and submitted within 45 days of the Department's certification KRS 132.0225

COPY TO: County Clerk

This form is necessary to ensure that your jurisdiction will receive the appropriate amount of property tax revenue from state collections and to ensure your current mailing address is on file to send the checks for collected revenue.

*** DO NOT LEAVE A BOX BLANK! If you elected not to adopt a rate for a tax type, please enter "0" or check the "NO" box.**

Tax Rates Per \$100
 Ex: 10¢ = 0.1000

TAX TYPE

TAX TYPE	1 *	2 *	3 *	GENERAL REAL ESTATE RATE
REAL PROPERTY				GENERAL TANGIBLE PERSONAL PROPERTY RATE
TANGIBLE PERSONAL PROPERTY INVENTORY <small>This is your tangible rate above for all taxing jurisdictions unless you are a city, urban-county government, or fiscal court that has levied a rate less than the prevailing tangible rate.</small>				KRS 132.028 and 68.246 Rate on business inventories levied by a city, urban-county government and fiscal court. Subject to the provisions of KRS 132.027 and KRS 68.245 a city, urban-county government or county fiscal court may levy a rate on business inventories equal to or less than the prevailing rate of taxation on other tangible personal property in the respective city, urban-county government or county.
OPTIONAL TAXES <small>If your jurisdiction has voted to tax the following optional items, please check "YES." Otherwise, check "NO."</small>				132.200 Property subject to state tax only. All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school, or other taxing district in which it has a taxable situs, except the class of property described in KRS 132.030 and the following classes of property, which shall be subject to taxation for state purposes only: (18) Aircraft not used in the business of transporting persons or property for compensation or hire if an exemption is approved by the county, city, school, or other taxing district in which the aircraft has its taxable situs; (19) Federally documented vessels not used in the business of transporting persons or property for compensation or hire or for other commercial purposes, if an exemption is approved by the county, city, school, or other taxing district in which the federally documented vessel has its taxable situs; 132.099 Local taxation of personal property held for shipment out-of-state (3) Any fire district or other special taxing district may exempt from the ad valorem tax personal property placed in a warehouse or distribution center for the purpose of subsequent shipment to an out-of-state destination.
AIRCRAFT <small>Taxed at tangible rate, or exempt; <u>not motor vehicle rate.</u></small>	4 *	YES	NO	
DOCUMENTED WATERCRAFT NON KY REGISTERED WATERCRAFT <small>Taxed at tangible rate, or exempt; <u>not motor vehicle rate.</u></small>	5 *	YES	NO	
IN-TRANSIT INVENTORY <small>Taxed at prevailing tangible rate or exempt. Note: Cities, counties, and schools cannot receive revenue from In-Transit Inventory (KRS 132.099(2))</small>	6 *	YES	NO	

PLEASE PRINT YOUR CURRENT MAILING ADDRESS AND CONTACT INFORMATION.

County:	Taxing Jurisdiction Name:
Contact Person:	Title:
Mailing Address:	
City:	State:
Telephone:	Email:
	Zip Code:

As the representative for the local jurisdiction named above, I certify that these requested property tax rates have been set for the above year.

Signature:	Date:
Print Name:	Title:

Form 62A3000 provides the Kentucky Department of Revenue the tax rates levied by the local taxing jurisdictions to ensure appropriate amount of property tax revenue from state collections and to provide the current mailing address to send the checks for collected revenue. The revenues are from Omitted Personal Property Collections and are distributed quarterly. The rates are also published in the annual property tax rate booklet.

Instructions for completion of form 62A300.

Box 1 – Real Property – This is the rate levied for real property.

Box 2 – Tangible Personal Property – This is the rate levied for tangible personal property.

Box 3 – Inventory – This is the rate levied for business inventories and will be your prevailing tangible rate (what is in box 2) for schools, libraries, health centers, hospitals, extension services, fire protection, and ambulance services. This rate should be listed in box 3 also.

Cities, urban-county governments and fiscal courts have statutory authorization to levy a rate less than the prevailing rate of taxation on other tangible personal property in accordance with KRS 132.028 and 68.246. If the city, urban-county government or fiscal court levies a rate less than the prevailing tangible rate it should be listed in box 3.

If a city, urban-county government or fiscal court does not elect a rate less than the prevailing tangible rate, the rate in box 2 should be included in box 3.

The property listed below is optional for local taxing jurisdictions to levy a rate and this property is not taxed at your motor vehicle/KY-registered watercraft rate. If your jurisdiction voted to tax these items they are taxed at the prevailing tangible tax rate, which is listed in box 2.

Box 4 – Aircraft – This rate is your prevailing tangible rate (box 2) unless an exemption has been approved by the county, city, school, or any other taxing district. If an exemption is approved please check the "NO" box.

Box 5- Documented Watercraft/Non KY Registered Watercraft - This rate is your prevailing tangible rate (box 2) unless an exemption has been approved by the county, city, school, or any other taxing district. If an exemption is approved please check the "NO" box.

Box 6 – In-Transit Inventory – This rate is be your prevailing tangible rate (box 2) unless an exemption has been approved for libraries, health centers, extension services, hospitals, fire protection and ambulance services. If exempted please check the "NO" box. **This property is exempt from taxation for Cities, Counties and Schools in accordance with KRS 132.090 (2) so please check the "NO" box.**

The applicable County, taxing jurisdiction name with all contact information should be mailed, faxed or emailed to the contacts on the form and listed below.

ORIGINAL TO: KY Department of Revenue
Office of Property Valuation
FAX: (502) 564-8192
EMAIL: Megan.Greene@ky.gov
PHONE: (502) 564-7378
EMAIL: Katie.Young@ky.gov
PHONE: (502) 782-5862
COPY TO: County Clerk

Commonwealth of Kentucky
DEPARTMENT OF REVENUE
Office of Property Valuation
501 High Street, Station 32
Frankfort, Kentucky 40601-2103

HELPFUL GUIDE TO COMPLETING FORM 62A3000

Counties/Urban Governments (Fiscal Courts)

- **BOX #1 (Real Property):** Must have.
- **BOX #2 (Tangible Personal Property):** Must have.
- **BOX #3 (Inventory):** Usually have same as tangible rate. **Counties can opt to tax this at a lower rate or exempt it all together. The majority of counties tax it at their tangible rate.
- **BOX #4 (Aircraft):** Optional. If taxing, will be same rate as tangible.
- **Box #6 (In-Transit Inventory):** Cannot tax. Exempted

Cities

(Please note, not all cities tax tangible personal property/inventory, some only tax real property.)

- **Box #1 (Real Property):** Must have.
- **Box #2 (Tangible Personal Property):** Must have.
- **Box #3 (Inventory):** Usually have same as tangible rate. ** Cities can opt to tax this at a lower rate or exempt it all together. The majority of cities are taxing it though.
- **Box #4 (Aircraft)** Optional. If taxing, will be same rate as tangible.
- **Box #5 (Documented Watercraft):** Optional. If taxing, will be same rate as tangible.
- **Box#6 (In-Transit Inventory):** Cannot tax. Exempted.

Schools

- **Box #1 (Real Property):** Must have.
- **Box #2 (Tangible Personal Property):** Must have.
- **Box #3 (Inventory):** Must have. Must have same rate as tangible.
- **Box #4 (Aircraft):** Optional. If taxing, will be same rate as tangible. The F1 form will denote if taxing.
- **Box #5 (Documented Watercraft)** Optional. If taxing, will be same rate as tangible. The F1 form will denote if taxing.
- **Box #6 (In-Transit Inventory)** Cannot tax. Exempted.

Extension/Health/Library/Hospital/Fire/mental Health/Ambulance

- **Box #1 (Real Property):** Must have.
- **Box #2 (Tangible Personal Property):** Must have.
- **Box #3 (Inventory):** Must have. Must have same rate as tangible.
- **Box #4 (Aircraft):** Optional. If taxing, will be same rate as tangible
- **Box #5 (Documented Watercraft)** Optional. If taxing, will be same rate as tangible.
- **Box #6 (In-Transit Inventory):** Optional. If taxing, will be same rate as tangible.

Soil Conservation/Watershed/Roads/Floodplain/Ditch

- **Box #1 (Real Property):** Must have. This should be the only box with a tax rate.
- **Box #2 (Tangible Personal Property):** Do not tax.
- **Box #3 (Inventory: Box #4 (Aircraft):** Do not tax.
- **Box #5 (Documented Watercraft)** Do not tax.
- **Box #6 (In-Transit Inventory):** Do not tax.

If your jurisdiction type is not listed here, please feel free to contact us with questions, Jehna Cornish at (502) 782-2507 or Kathryn Reaves at (502) 782-2477

**VARIOUS REAL PROPERTY TAX FORMS USED
BY COUNTY CLERK'S OFFICES**

NOTICE TO COUNTY

Name of County

TAXPAYERS

_____, _____ County Clerk pursuant to KRS 424.130,
Name of County Clerk Name of County

announces that the 20____ Delinquent Real Property Tax Bills (Certificates of Delinquency) will be published in the _____ on _____. The list of
Name of Newspaper Date of Advertisement

Certificates of Delinquency is also available for public inspection during the hours of _____ at the County Clerk's office located at
List Office Hours

_____. This list may also be inspected on the
Address of County Clerk's Office

_____ website. The Uniform Resource Locator (URL) of the website is
Sponsor of website

_____. The tax sale will be held on _____ beginning at
Website Address Date of Sale

_____. All interested participants must register with the County Clerk's office by
Time of Sale
the close of business on _____. Please contact the County Clerk's office if you
10 Days Prior to Sale

need additional information about the tax sale registration process, the required registration fee or the deposit amounts that will be needed. Taxpayers can continue to pay their delinquent tax

bills to the County Clerk's office anytime prior to the tax sale. **Please Note: All payments must be received in the County Clerk's office prior to the tax sale date listed in this**

advertisement. Payments received after the tax sale has been conducted will be returned without exception. Some delinquencies – although they have been advertised – will

be excluded from the tax sale in accordance with the provisions of KRS 134.504(10)(b). If you have any questions, please do not hesitate to contact the County Clerk's office at

_____.
County Clerk's Telephone Number



Commonwealth of Kentucky
OMITTED REAL ESTATE PROPERTY TAX BILL

Bill No. _____

Assessment Date: January 1, _____

Date Issued: _____

County Name _____

Taxpayer Name and Address

OMITTED ASSESSED VALUE _____

Tax Amounts

State Tax Rate		
County Tax Rate		
School Tax Rate		
Library Tax Rate		
Health Tax Rate		
Co. Ext. Tax Rate		
Soil Tax Rate		
Tax Rate		
Tax Rate		
Tax Rate		

TOTAL TAX DUE

OMITTED PENALTY
 (Computed on Tax)
 10% if voluntarily
 listed; 20% if
 involuntarily listed

INTEREST — At the tax
 interest rate as defined
 in KRS 131.010(6) from
 January 1 following
 the assessment
 shown above to 30
 days after date bill is
 issued. (Computed
 on Tax)

**TOTAL TAX PENALTY
 AND INTEREST**

PAYMENT DUE BY

County Clerk's Signature: _____

Payment Received By: _____
 Sheriff or Deputy

_____ Date

PLEASE MAKE PAYMENT BY DUE DATE TO SHERIFF'S OFFICE

62A301-S (1-13)

APPROPRIATE PENALTIES AND SHERIFF'S FEES WILL BE
 ADDED TO THE TOTAL DUE IF NOT PAID BY DUE DATE.
 DELINQUENT FEES AND INTEREST APPLY IF BILL IS
 TRANSFERRED TO COUNTY CLERK'S OFFICE.



MINUTES OF THE BOARD OF ASSESSMENT APPEALS

Page _____ of _____

County _____

Taxpayer's Name and Address (1)	Description of Property (2)	Class of Property (3)	Taxing District (4)	Property Valuation Administrator's Assessment (5)	Taxpayer Did Not Appear (6)	No Change (7)	Real Estate	
							Increases (8)	Decreases (9)

(See Instructions on Reverse)

INSTRUCTIONS

Prepare this form in triplicate. Number the pages if there is more than one page of minutes.

Only appeals to the board are to be recorded in the minutes. Columns (1), (2), (4) and (5) are self-explanatory. Under Column (3), indicate residential (R), farm (F), commercial (C) or unmined mineral (M). Check (✓) Column (6) if the taxpayer did not appear at the hearing. Check (✓) Column (7) if the board makes no change from the property valuation administrator's original assessment on an appeal. **(Do not check column 7 if the taxpayer did not appear)**. Show increases by the board in Column (8). Show decreases by the board in Column (9). The county clerk and the chairman of the board must execute the Certification, Revenue Form 62A303-A, in triplicate. Attach a copy of the Certification to each set of the minutes.

The original copy of Minutes of the Board of Assessment Appeals and Certification properly executed by the clerk and the chairman with any letters of appeal attached are the official minutes and must be kept permanently by the county clerk. A copy of the minutes must be furnished to the property valuation administrator and the Department of Revenue within five days after the board adjourns.



CERTIFICATION

(Attach to Revenue Form 62A303)

The Board of Assessment Appeals of _____ County met at the call of the county judge-executive on the _____ day of _____, 20____. The following persons were appointed members:

_____, _____, _____,

_____ was appointed chairman of the Board of Assessment Appeals by the county judge-executive. The order of appointment is recorded in Order Book No. _____, Page No. _____, in the county clerk's office. All members of the board were sworn according to law.

The board met on _____
Dates

and adjourned on the _____ day of _____, 20____. A quorum was present at each meeting.

Signature of County Clerk

_____ County

I, _____, Chairman of the _____ County Board of Assessment Appeals certify that the foregoing _____ pages are a true and correct copy of the Minutes of the Board of Assessment Appeals of _____ County for the tax year 20____.

Chairman, Board of Assessment Appeals

Subscribed and sworn to before me this _____ day of _____, 20____.

Signature of County Clerk

_____ County



SUMMARY OF APPEALS FILED WITH THE COUNTY BOARD OF ASSESSMENT APPEALS

Page _____ of _____

(See Instructions on Reverse)

County _____

Taxpayer's Name (1)	Description of Property (2)	Class of Property (3)	Taxing District (4)	Property Valuation Administrator's Assessment (5)	Taxpayer's Opinion of Value (6)	Date and Time of Hearing (7)

Mail Copy to:
 Office of Property Valuation
 Division of Local Support
 P O Box 1727
 Frankfort, KY 40602-1727

INSTRUCTIONS

No later than three working days after the expiration of the inspection period the county clerk shall provide to the property valuation administrator a copy of each appeal petition and a summary of the appeals filed with the county board of assessment appeals.

The county clerk shall notify the Department of Revenue of all assessment appeals and of the dates and times of the hearings.

Columns (1), (2), (4) and (5) are self-explanatory. Under Column (3), indicate residential (R), farm (F), commercial (C) or unmined mineral (M). Under Column (6), list the taxpayer's opinion of the fair cash value of the property under appeal. Under Column (7), list the date and time of each hearing.

**JUSTIFICATION FOR DECISION
OF LOCAL BOARD OF ASSESSMENT APPEALS**



Parcel ID _____

Property Address _____

Property Owner

Authorized Representative

Name _____

Name _____

Address _____

Address _____

Telephone Number _____

Telephone Number _____

Property Owner's Value _____

PVA Assessment _____

Amount of Increase/Decrease _____

Justification of Ruling by Board:

Factual evidence presented by property owner as regulated under KRS 133.120(3).

- Mortgage Insurance Policy Recent Appraisal Sales of Similar Property
 Other (specify)

Property owner **did not** furnish factual evidence.

We, the undersigned, affirm that the above statements are to the best of our knowledge and belief, true and correct.

Board Members' Signatures

**NOTICE TO PROPERTY OWNER OF FINAL DECISION
OF BOARD OF ASSESSMENT APPEALS**



Taxpayer's Name/Authorized Representative	, 20
Mailing Address	Property Address (if different from mailing address)
	Parcel ID / Property Class / Taxing Districts City/School

Notice is hereby given in accordance with Kentucky Revised Statute 49.220 of the final decision of the Board of Assessment Appeals in your real estate assessment for the year _____ .

PVA Assessment	
Taxpayer's Assessment	
Board of Assessment Appeals' Decision	

No Change from PVA Assessment

Justification of Ruling by Board:

Factual evidence presented by property owner as requested under KRS 133.120(3).

Mortgage
 Insurance Policy
 Recent Appraisal
 Sales of Similar Property

Other (specify) _____

Property owner **did not** furnish factual evidence.

We, the undersigned, affirm that the above statements are to the best of our knowledge and belief, true and correct.

Board Members' Signatures

I hereby certify that the values listed above represent the final decision of the County Board of Assessment Appeals as shown on the minutes of the Board of Assessment Appeals.

_____ County Clerk

INSTRUCTIONS

If you are dissatisfied with the decision made by the County Board of Assessment Appeals, you may continue your appeal with the Kentucky Board of Tax Appeals (KBTA). Within thirty (30) days of the issuance date of this notice you received from the County Board of Assessment Appeals you must prepare a written petition of appeal that contains the following:

- A statement of all relevant issues and facts of law;
- A statement certifying that the information contained in the petition is true and correct to the best of the petitioner's knowledge;
- The petitioner's mailing address, telephone number and e-mail address; and
- The signature of the petitioner.

If the petitioner is represented by an attorney, then the attorney's name, mailing address, telephone number and e-mail address must also be included in the petition of appeal.

In addition to the petition of appeal, a copy of the final ruling of the County Board of Assessment Appeals (this notice form) must also be submitted.

The petition of appeal and copy of the final ruling can be filed in person or mailed to the following address:

Kentucky Board of Tax Appeals
500 Mero Street
Frankfort, KY 40601

This information can also be e-mailed to the KBTA at taxappeals@ky.gov.

For more information about the filing process and additional rules governing proceedings before the KBTA, please refer to Kentucky Administrative Regulation 802 KAR 1:010 at the following website address: <http://www.legislature.ky.gov/law/kar/802/001/010.pdf>.

NOTE: In accordance with Supreme Court Rule 3.020, if the appealing party is a corporation, trust, estate, partnership, joint venture, LLC, or any other artificial legal entity, the entity must be represented by an attorney on all matters before the Board, including the filing of the petition of appeal. If the petition of appeal is filed by a non-attorney representative for the legal entity, the appeal will be dismissed by the Commission.

If you desire to appeal the assessed value of more than one property, send a separate Petition of Appeal for each parcel to the KBTA.

Any taxpayer failing to appear before the local board, either in person or by a designated representative, shall not be eligible to appeal directly to the KBTA (KRS 133.120(10)).

Receipt for Transferring Delinquent Property Tax Bills From the Sheriff to the County Clerk



I, _____, Sheriff of _____ County, do hereby
name of sheriff name of county

certify that the 20__ delinquent property tax bill lists (Revenue Form 62A359 and 62A362) have
been prepared and the number of outstanding tax bills due is _____. In accordance with
number of bills

KRS134.122, all delinquent tax bills are hereby transferred to the _____ County
name of county

Clerk as of _____.
date of transfer

I further certify that the total amount due on the delinquent property tax bills, including
all penalties and fees at the time of transfer, is \$_____ signed and acknowledged
amount of delinquencies
this ____ day of _____, 20_____.

signature of sheriff

_____ County Sheriff
name of county

I, _____, County Clerk of _____ County, hereby
name of county clerk name of county

acknowledge the receipt of _____ delinquent property tax bills for the 20__ tax
number of bills

year. I further acknowledge that the total amount due, including all penalties and fees at the
time of transfer, for these tax bills is \$_____ as of _____.
amount of delinquencies date of transfer

signature of county clerk

_____ County Clerk
name of county

**Supplemental Receipt to Document
Timely Postmarked Payments
Received After the Delinquent Tax Bill
Transfer Date**



I, _____, Sheriff of _____ County, do
Name of Sheriff Name of County
hereby certify that _____ timely postmarked payments were received after
Number of Bills
the date the delinquent property tax bills were transferred to the County Clerk's Office. The
applicable bills have been processed at the amount due in the Sheriff's Office prior to the transfer
date in accordance with KRS 134.119(3)(a)2. The adjusted total number of tax bills received by
the County Clerk is _____ and the adjusted total amount due on the delinquent
Number of Bills
property tax bills, including all penalties and fees at the time of transfer, is \$ _____.
Amount of Delinquencies
Signed and acknowledged this _____ day of _____, 20 _____.

Signature of Sheriff Name of County County Sheriff

I, _____, County Clerk of _____ County,
Name of County Clerk Name of County
hereby certify that _____ timely postmarked payments were received after the
Number of Payments
date the delinquent property tax bills were transferred to my office. The applicable bills have
been processed in accordance with KRS 134.119(3)(a)2. The adjusted total number of tax bills
received by my office is _____ and the adjusted total amount due on the delinquent
Number of Bills
property tax bills, including all penalties and fees at the time of transfer, is \$ _____.
Amount of Delinquencies
Signed and acknowledged this _____ day of _____, 20 _____.

Signature of County Clerk Name of County County Clerk

COUNTY CLERK'S CLAIM FOR PREPARING TAX BILLS



Clerk _____ Voucher No. _____
 County _____ Account No. _____
 Address _____ Disburse \$ _____
 _____ For Year 20 _____

NOTE: Submit **two copies** with copy of the Sheriff's Official Receipt for Property Tax Bills, Revenue Form 62A385, to the Department of Revenue, Office of Property Valuation, P.O. Box 1727, Frankfort, Kentucky 40602-1727.

Total number of tax bills prepared @30¢ each..... \$ _____
TOTAL \$ _____
 One-half to be paid by Commonwealth of Kentucky (1/2 of TOTAL above) \$ _____
 Official certification + 1.50
TOTAL (to be paid by Commonwealth of Kentucky) \$ _____

I certify that services were rendered by me for which I am entitled to the compensation stated above; that I have not received any of this compensation from the state.

I further certify that the order for the _____ Fiscal Court, allowing the county clerk's claim, entered on Order Book _____, Page _____, authorized the payment of \$ _____ as the county's share of the clerk's compensation for making tax bills as set out in KRS 133.240.

 Clerk _____ County

Subscribed and sworn to before me by _____ this _____ day of _____, 20____.

My commission expires _____
 _____ Signature _____ Title

Approved for \$ _____ Approved for \$ _____

Date _____ Date _____

COUNTY CLERK'S CLAIM
FOR PREPARING OMITTED TAX BILLS



Clerk _____

Voucher No. _____

County _____

Account No. _____

Address _____

Disburse \$ _____

For Year Ending July 31, 20 _____

NOTE: Submit *two copies* to the Department of Revenue, Office of Property Valuation, P.O. Box 1727, Frankfort, Kentucky 40602-1727, at the time the sheriff makes his annual settlement but not later than July 31 of each year.

Total "Omitted Tax Bills" (Revenue Form 62A301-S)..... @ \$1.00 each \$ _____

Prepared and Charged to Sheriff for year
beginning August 1, 20____ through July 31, 20____

One-half to be paid by County..... - _____

One-half to be paid by Commonwealth of Kentucky \$ _____

I certify that services were rendered by me for which I am entitled to the compensation stated above; that I have not received any of this compensation from the state.

I further certify that the order for the _____ Fiscal Court, allowing the county clerk's claim, entered on Order Book No. _____, Page _____, authorized the payment of \$ _____ as the county's share of the clerk's compensation for making tax bills as set out in KRS 133.240.

Clerk _____ County

Subscribed and sworn to before me by _____ this _____ day of _____, 20____ .

My commission expires _____

Signature _____ Title

Approved for \$ _____

Approved for \$ _____

Date _____

Date _____

**COUNTY CLERK'S MONTHLY REPORT
OF OMITTED ASSESSMENTS**

Name of Taxpayer	Tax Year	Classification of Property (Valuation)		Rate	Amount of State Tax	Tax Bill Number
		Real Estate	Unmined Coal			
1.		\$	\$			
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
TOTALS		\$	\$			

I hereby certify that the above is a true and correct list of all omitted property assessed and certified by the property valuation administrator to the county clerk in accordance with KRS 132.310 for the month of _____, _____.

Witness my signature this _____ day of _____, _____.

Clerk _____ County _____

INSTRUCTIONS

Revenue Form 62A364 must be used only for reporting omitted assessments made by the property valuation administrator and must be prepared in triplicate. Forward the original to the Department of Revenue, Office of Property Valuation, P. O. Box 1727, Frankfort, Kentucky 40602-1727 on or before the 10th of each month for omitted assessments made during the preceding month. File the duplicate with the sheriff. Retain the triplicate for your records.

A report must be submitted even though there are no omitted assessments for the month.

Include one copy of Listing of Omitted Property, Form 62A379, for each taxpayer listed on this report. The Sheriff's Official Receipt for Omitted Property Tax Bills on the reverse side of the Listing of Omitted Property must be completed and signed by the sheriff.

This form is not to be used in connection with the redemption of property.

Complete information must be entered in the appropriate columns. In the column headed "Tax Year," enter the year the taxes became due.



**ORDER CORRECTING
ERRONEOUS DELINQUENT ASSESSMENT**

**USE FOR DELINQUENT
ASSESSMENTS ONLY**

Date _____

(To be used only for duplications, clerical errors or property not owned on assessment date.)

In Re: _____
Name of Taxpayer Tax Bill Number

It appearing to the property valuation administrator that the above-named person has been erroneously assessed as of

- _____, 20__ , for 20__ taxes, through error of: *(check one)* property valuation administrator
 board of assessment appeals clerk other *(please specify)* _____ .

Describe error:

- Eligible for refund under KRS 132.810

It is now ordered by the property valuation administrator, under the authority of Kentucky Revised Statutes 133.110 and 133.130,
that said error be corrected in the following manner:

	Real Estate	Unmined Coal	Tangible Personalty
Describe Property.....	_____	_____	_____
Original Assessment.....	\$ _____	\$ _____	\$ _____
Corrected Assessment ..	_____	_____	_____
Decrease-Increase..... (Indicate + or -)	\$ _____	\$ _____	\$ _____

Property Valuation Administrator

County

NOTE: This form must be completed in triplicate. The PVA is to deliver the original to the clerk, mail the duplicate immediately to the Office of Property Valuation, P.O. Box 1727, Frankfort, Kentucky 40602-1727, and retain the triplicate.



EXONERATION FORM FOR PROPERTY TAX REFUND

Name of Applicant _____	RefundTaxYear _____
Address _____ <div style="text-align: center; font-size: small;">P.O. Box or Number and Street</div>	Bill Number _____
<div style="display: flex; justify-content: space-between; font-size: x-small;"> City County State ZIP Code </div>	Account Number _____
Telephone Number _____	Date of Application _____
	Date of Taxes Paid _____

KRS 134.590

(6) No refund shall be made unless application is made in each case within two (2) years from the date payment was made. If the question of the amount of taxes due is in litigation, the application for refund shall be made within two (2) years from the date the amount due is finally determined.

Reason for Refund Request

Eligible for refund under KRS 132.810

	Real Estate	Unmined Coal	Tangible Personalty	
Describe Property	_____	_____	_____	_____
Original Assessment	\$ _____	\$ _____	\$ _____	_____
Corrected Assessment	\$ _____	\$ _____	\$ _____	_____
Decrease-Increase (Indicate + or -) (Indicate Rate)	_____	_____	_____	_____
			45¢, 15¢, 5¢, 1½¢, 1/10¢	

I, the undersigned, affirm that the above statement is to the best of my knowledge and belief, true and correct.

Signature _____
Taxpayer

Signature _____
PVA/Authorized Deputy

Applications for refunds must be presented to either the sheriff, clerk or each taxing district.
 Attach documentation showing the date the tax bill was paid.

Refunded by _____

Date _____

**AUTHORIZATION FOR PREPARING
 ADDITIONAL/SUPPLEMENTAL
 PROPERTY TAX BILLS**



To _____ County Clerk

Date _____, 20____

Due to a change in assessment by the Kentucky Board of Tax Appeals or other courts, or by the property valuation administrator, you are authorized to prepare additional/supplemental property tax bill(s) for the year(s) shown and on the assessment(s) listed below pursuant to KRS 133.120(9).

Taxpayer and Address	Tax Bill Number	Year	List Either Assessment Paid by Taxpayer (Supplemental Bills), or Original Assessment (Additional Bills)	Amended Assessment	Amount of Increase
(1) _____ _____ _____ _____	_____	_____	\$ _____	\$ _____	\$ _____
(2) _____ _____ _____ _____	_____	_____	\$ _____	\$ _____	\$ _____
(3) _____ _____ _____ _____	_____	_____	\$ _____	\$ _____	\$ _____

You are directed to prepare additional/supplemental property tax bill(s) for the above taxpayer; deliver each bill to the County Sheriff and take receipt from him on Sheriff's Official Receipt for Additional/Supplemental Property Tax Bills, Revenue Form 62A386.

Verified by _____
 Property Valuation Administrator

Mail Copy To:
 Office of Property Valuation
 Division of Local Support
 P O Box 1727
 Frankfort, KY 40602-1727

_____ County

Date _____

**Instructions
For Preparation of
Additional/Supplemental Tax Bills
and Official Receipt**



This form shall be prepared in quadruplicate. The property valuation administrator shall retain one copy, the county clerk shall maintain the original, one copy to the sheriff and the other copy should be forwarded to the Department of Revenue, Office of Property Valuation, P.O. Box 1727, Frankfort, Kentucky 40602-1727.

The property valuation administrator shall prepare Form 62A367 instructing the county clerk to prepare additional and/or supplemental tax bills. Additional and supplemental tax bills shall be prepared by the clerk. The clerk shall complete Form 62A386, Sheriff's Official Receipt for Additional/Supplemental Property Tax Bills, for the total of taxes due each taxing district and give the bills to the sheriff for collection after he signs the four copies of the receipt.

1. Additional bills are those which (although all pertinent information was available to the property valuation administrator) were not prepared through error. These bills shall be prepared by the clerk upon notification by the property valuation administrator. No penalty or interest is to be charged on these bills at the time of preparation.
2. Supplemental bills are prepared on the basis of orders from the Kentucky Board of Tax Appeals or other courts. The following billing procedures shall be followed for assessments under appeal:
 - a. The regular tax bill should be prepared using the taxpayer's value as assessed value.
 - b. When a decision of the Kentucky Board of Tax Appeals is reached, the following procedure should be followed:
 - (1) If an additional amount is owed, a supplemental bill should be prepared based upon the valuation in excess of the taxpayer's value above.
 - (2) No interest or penalty is owed if the bill is paid prior to the date normal tax bills become delinquent. The taxpayer is entitled to a 2 percent discount if the decision is reached prior to or during the normal 2 percent discount payment period for regular tax bills.
 - (3) Supplemental bills which are prepared after the end of the regular face amount payment period are to have interest added at an annual rate as defined in KRS 131.010(6), based on the time elapsed between the end of the regular payment period and the preparation date.
 - (4) Should a supplemental bill not be paid within 30 days of either the end of the regular face amount payment period or the date of the bill's preparation and mailing, whichever is later, the provisions of KRS 134.015(6) come into effect. This requires an additional penalty of 10 percent levied against all taxes and interest as shown on the bill.
 - c. Should an overpayment have been made by the taxpayer, either as a result of an improperly prepared original tax bill or a decision of the Kentucky Board of Tax Appeals, the amount of overpayment shall be refundable by each taxing district involved upon presentation by the taxpayer of proof of such overpayment.



**ATTESTATION FORM FOR USE WHEN
TAXPAYER CANNOT MAKE CONTACT WITH
A THIRD PARTY PURCHASER**

I, _____, hereby swear/affirm to the following actions:
Name

A registered letter was mailed to the third party purchaser of record at the address reflected in the most recent notice received from the third party purchaser or at the address reflected in the records of the county clerk in which I indicated my desire to make payment;

The letter has been returned by the postal service as unclaimed or thirty days have elapsed and I have received no response from the third party purchaser; and,

I have provided the county clerk with the certified mail receipts stamped by the post office that document the certified letter was sent to the last known correct address and the date it was mailed. If the letter was returned, I provided the returned letter to the county clerk as well.

I understand that any false statement or omission herein is a violation of KRS 523.040 and that I may be subject to criminal prosecution. Further, I acknowledge that this form is a public record and may be disseminated as such.

Date Signed

Signature of Taxpayer

Personally appeared before me, _____, who being duly
NAME OF INDIVIDUAL

Sworn according to law, deposes and says that the statements contained in this application are true and correct.

Sworn and subscribed before me this _____ day of _____, 20____.

NOTARY PUBLIC



_____ COUNTY CLERK
CERTIFICATE OF DELINQUENCY
SALE REGISTRATION

NOTE: THIS REGISTRATION FORM ALONG WITH ALL LISTS, REGISTRATION FEES AND DEPOSITS MUST BE SUBMITTED TO THE COUNTY CLERK'S OFFICE AT LEAST 10 CALENDAR DAYS PRIOR TO THE TAX SALE.

1. Name:
2. Street Address:
3. Mailing Address (If different from street address):
4. Telephone Number:
5. Include a copy of your state Certificate of Registration form (if applicable):
6. If you have purchased a certificate of delinquency in a prior year and you intend to purchase the current year's certificate of delinquency on the same property, please submit a list labeled "Priority Certificates of Delinquency." This list needs to include the following information:
 1. Current year's tax bill number;
 2. Taxpayer name;
 3. Amount due on current certificate of delinquency;
 4. Tax bill number and tax year of the prior year certificate of delinquency you already hold;
 5. Book and page number where the prior year certificate of delinquency you already hold is recorded;
 6. County account/parcel number (if applicable); and
 7. A copy of the prior year certificate of delinquency.
7. Please submit a separate list of the current year certificates of delinquency—for which no prior year claim exists—you would like to purchase at the tax sale. For each certificate of delinquency the following information needs to be provided:
 1. Tax bill number;
 2. Taxpayer name;
 3. Amount due on the certificate of delinquency;
 4. The total due for all certificates of delinquency.
8. Deposit. Calculate your required deposit:

Total amount due on all priority certificates listed in Item 6 \$ _____

plus

_____ % of amount due on all current certificates listed in Item 7 \$ _____

Total Deposit \$ _____

Acceptable forms of payment include:

9. Registration fee: Total number of certificates listed in Item 6 times \$5.00 plus the number of certificates listed in Item 7 times \$10.00. The maximum registration fee is \$250.00. Please include a separate payment for this amount with your registration.
10. Please read and confirm the following sworn statement. Be advised that filing a false sworn statement with the intent to mislead a County Clerk is a violation of KRS 523.030 and is a Class A Misdemeanor.

I hereby certify that I am not participating in this sale in conjunction with any related person or related entity to obtain any advantage over other potential purchasers at the sale.

Authorized Signature for Third Party Purchaser

Commonwealth of Kentucky
County of _____

Subscribed, sworn to and acknowledged before me this _____ day of _____, 20 _____
by _____.

Notary Public, State at Large

My Commission Expires: _____

RELEASE OF CERTIFICATE OF DELINQUENCY ASSIGNED TO A THIRD PARTY



This Release of Certificate of Delinquency is made this _____ day of _____, 20____,
between _____ whose address is _____
(third party purchaser)
and _____ whose address is _____
(taxpayer)
by the _____ to facilitate the correction of the government error listed
(county clerk)
below. The Certificate of Delinquency identified as _____ and recorded in
(tax year & bill no. and/or map ID)
the _____ County Clerk's office in _____ Book _____ Page _____ is hereby
released and discharged and amount paid to said Third Party Purchaser has been refunded by the County Clerk or letter
authorizing payment by taxing districts has been sent to Third Party Purchaser.

Release and Refund Limited to specific governmental correction as noted:

- _____ Duplicated Certificate of Delinquency
- _____ Certificate of Delinquency was satisfied prior to purchase
- _____ Certificate of Delinquency was exonerated by Property Valuation Administrator
- _____ Certificate of Delinquency was involved in litigation initiated by the County Attorney but inadvertently left off the protected list
- _____ Certificate of Delinquency was involved in bankruptcy that the County Attorney had filed a proof of claim but was inadvertently left off protected list
- _____ Certificate of Delinquency was under a current payment plan with the County Attorney but was inadvertently left off protected list
- _____ County Clerk inadvertently sold a Certificate of Delinquency that was on the protected list
- _____ Other specific governmental correction required—Must be approved and signed by Department of Revenue

County Clerk shall not record this release without specific documentation and copy of refund check or letter of authorization of refund. This document must be executed by the government official initiating the correction.

Signed by _____

(type or print name)

State of _____
County of _____

(Name of governmental agency
Sheriff, Property Valuation Administrator, County Attorney, or County Clerk)

The foregoing instrument was acknowledged before me this _____ by _____
(Date)

(name and title of position)

My Commission expires _____

Notary Public



IN HOUSE RELEASE OF THIRD PARTY PURCHASER LIEN WHEN LIEN IS PAID TO CLERK

This Release is **ONLY** to be used when the Property owner cannot locate the Third Party purchaser and the County Clerk collects the amount due on a Certificate of Delinquency. (Based on KRS 134.127(3)(e)2.)

This Release of Certificate of Delinquency is made this _____ day of _____, 20____, between

_____ whose address of record is _____
(Third Party Purchaser)

and _____ whose address is _____
(Taxpayer)

by the _____ to reflect payment received associated with a Certificate of Delinquency.
(County Clerk)

The Certificate of Delinquency identified as _____ and recorded in the
(tax yr & bill no. and/or map ID)

_____ County Clerk's office in _____ Book _____ Page _____

is hereby released and discharged and amount paid to the County Clerk will be held in escrow.

The following documents must be included for recording with this release:

- Proof of mailing by sender to the Third Party Purchaser
- Attested Statement by Sender as required by KRS 134.127(3)(e)1 (See Revenue Form 62A371)
- Proof of payment

The county clerk shall collect the full amount due plus applicable interest.

Signed by: _____

(type or print name)

County Clerk/Deputy Clerk

LISTING OF OMITTED REAL PROPERTY

Prepare in Triplicate



Voluntary Involuntary

Taxpayer _____
Last name First name Middle initial

Property Located In

County _____

Address _____
Rural route or number and street

District _____

City _____ State _____ ZIP Code _____

Real Estate State – 12.2¢ for 2016 through 2020	Taxpayer's Valuation			Property Valuation Administrator's Assessment
	Land	Improvements	Total	
	Dollars	Dollars	Dollars	Dollars
20				
20				
20				
20				
20				

Oath of Taxpayer: I swear that the list of property given herein by me contains a full and complete list of property omitted from my assessments on the dates as set out herein, and that a fair cash value has been placed on such property.

Taxpayer's Signature

I, _____, Property Valuation Administrator of _____ County, state the foregoing omitted list was assessed by me on the _____ day of _____, _____, and is hereby certified to the clerk of said county for preparation of an omitted tax bill.

Property Valuation Administrator

Omitted Tax Bill No. _____ Issued _____ day of _____, _____ . _____ Clerk

Omitted property tax bills are subject to a 10 percent penalty if the omitted assessment was voluntarily listed by the owner and a 20 percent penalty if the omitted assessment was involuntarily listed by the Property Valuation Administrator. In addition, omitted property tax bills are subject to interest at the tax interest rate. Please refer to Department of Revenue Procedure KY-RP-19-04 revised in November, 2020 for instructions on how to compute interest on omitted property tax bills.

Deliver all copies to county clerk. Clerk to retain one copy, return one copy to property valuation administrator and mail one copy to Office of Property Valuation, PO Box 1727, Frankfort, Kentucky 40602-1727.

SHERIFF'S OFFICIAL RECEIPT FOR OMITTED REAL PROPERTY TAX BILLS

I, _____, Sheriff of _____ County,
hereby acknowledge receipt of _____ omitted real property tax bills described below:
number

Tax Bill No.	Tax Year	Tax	Penalty	Interest	Total
_____	_____	\$ _____	_____	_____	\$ _____
_____	_____	\$ _____	_____	_____	\$ _____
_____	_____	\$ _____	_____	_____	\$ _____
_____	_____	\$ _____	_____	_____	\$ _____
_____	_____	\$ _____	_____	_____	\$ _____

Signed _____

Sheriff _____ County

Signed and acknowledged before me this _____ day of _____, _____.

Clerk _____ County

CLERK'S CERTIFICATION

I, _____, Clerk of _____ County, do
hereby certify that omitted tax bills have been prepared for all real property as listed on the reverse side of this form
and certified by the property valuation administrator for the years the property was omitted. I further certify that the
total amount of tax, penalty and interest due each taxing district represented by all bills prepared is as indicated above
and that this certification and receipt is recorded in County Order Book _____, Page _____.

Clerk _____ County



ORDER OF ALLOWANCE TO THE BOARD OF ASSESSMENT APPEALS

It is ordered by the court that the members of the Board of Assessment Appeals and the county clerk be allowed the amounts as listed below for their services in hearing appeals and reviewing tax assessments for the year _____ .

Members	Days Served	Rate Per Day	Total Compensation	State's Share (one-half)
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
TOTALS	=====	\$ =====	\$ =====	\$ =====

It is ordered that the above compensation be paid one-half by the Fiscal Court of this County and one-half by the Commonwealth of Kentucky.

_____, Judge-Executive
_____, County Fiscal Court

I, _____, Clerk of _____ County do hereby certify that the foregoing is a true and correct copy of the Order Allowing Compensation to the Board of Assessment Appeals and the county clerk and is recorded in Order Book No. _____, Page No. _____, in my said office.

Given under my hand this _____ day of _____, 20____.

_____, County Clerk

RATE PER DAY:

Each board member shall be paid \$100 for each day he serves. The county clerk is entitled to the same rate as board members. Submit one completed copy with minutes of the Board of Assessment Appeals to the Office of Property Valuation.

APPEAL TO
LOCAL BOARD OF ASSESSMENT APPEALS

See Instructions on Reverse

Taxpayer Appeal to _____ County Board of Assessment Appeals

I or we, _____, hereby appeal the assessment made by the _____
County Property Valuation Administrator (PVA) on the property described below assessed as of January 1, 20____.

Property owned by _____

Mailing address of owner _____

Location and description of property under appeal _____

Did you have a conference with the property valuation administrator's office to discuss the assessment of your property?

Yes No

Attach Form 62A307 (Property Owner's PVA Conference Record)

As the property owner (or administrator, trustee, guardian, etc.), in your opinion, what is the *fair cash value* of this property as of January 1, 20____?

Land..... \$ _____

Improvements..... \$ _____

Total Fair Cash Value \$ _____

Why do you feel this property is assessed at more than its fair cash value? _____

Property Owner _____

Signed _____

Mailing Address _____

Date appeal filed with the county clerk

_____ day of _____, 20____.

Phone Number () _____

Appeal Date _____ Appeal Time _____

E-mail _____

INSTRUCTIONS

(File Only One Copy For Each Appeal)

133.120. Appeal procedure.—(1) Any taxpayer desiring to appeal an assessment on real property made by the property valuation administrator shall first request a conference with the property valuation administrator or his designated deputy. The conference shall be held prior to or during the inspection period provided for in KRS 133.045. During this conference the property valuation administrator or his deputy shall provide an explanation to the taxpayer of the constitutional and statutory provisions governing property tax administration, including the appeal process, as well as an explanation of the procedures followed in deriving the assessed value for the taxpayer's property. The property valuation administrator or his deputy shall keep a record of each conference which shall include, but shall not be limited to, the initial assessed value, the value claimed by the taxpayer, an explanation of any changes offered or agreed to by each party, and a brief accounting of the outcome of the conference. At the request of the taxpayer, the conference may be held by telephone.

(2) Any taxpayer still aggrieved by an assessment on real property made by the property valuation administrator after complying with the provisions of subsection (1) of this section may appeal to the board of assessment appeals. The taxpayer shall appeal his assessment by filing in person or sending a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed, and stating to the county clerk the taxpayer's opinion of the fair cash value of the property. The appeal shall be filed no later than one (1) workday following the conclusion of the inspection period provided for in KRS 133.045.

GENERAL INSTRUCTIONS

The county board of assessment appeals cannot consider an appeal that is not timely filed. No taxpayer may appeal an assessment to the Kentucky Board of Tax Appeals if the assessment has not previously appealed the assessment to the county board of assessment appeals (KRS 49.220).

Please bring all documentation in support of your claim of value to the appeal hearing. It is not necessary to bring this information to the county clerk's office prior to your appeal hearing.

**REGULATION GOVERNING THE THIRD PARTY
PURCHASER REGISTRATION PROCESS WITH
THE COUNTY CLERK'S OFFICE**

103 KAR 5:180. Procedures for sale of certificates of delinquency by county clerks.

RELATES TO: KRS 134.127, 134.128

STATUTORY AUTHORITY: KRS 134.128(2)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 134.128(2) requires the Department of Revenue to promulgate administrative regulations to establish a process for the purchase and sale of certificates of delinquency to third parties. This administrative regulation establishes the process for the purchase and sale of certificates of delinquency to third parties.

Section 1. Definitions. (1) "Clerks fees" means any fee required to be collected by a county clerk for the filing, recording, release, processing, or other handling of a certificate of delinquency or a lien created by a certificate of delinquency.

(2) "Control" means:

(a) Ownership of, or the power to vote, directly or indirectly, twenty-five (25) percent or more of a class of voting securities or voting interests of a registrant or applicant, or a person in control of a registrant or applicant;

(b) The power to elect a majority of executive officers, managers, directors, trustees, or other persons exercising managerial authority of a registrant or applicant;

(c) The power to exercise influence, directly or indirectly, over the management or policies of a registrant or applicant;

(d) Holding the position of an officer, director, general partner, or managing member of the registrant or the applicant or in a position of similar status or performing similar duties and functions of the registrant or the applicant; or

(e) Being entitled to receive twenty-five (25) percent or more of the profits from the registrant or applicant.

(3) "Current certificate of delinquency" means a certificate of delinquency which relates to the most recent tax year and which has not been offered in a prior year's county clerk's sale.

(4) "Department" means the Kentucky Department of Revenue.

(5) "Person" means any individual, corporation, business trust, estate, trust partnership, limited liability company, association, organization, joint venture, government or any subdivision, agency or instrumentality thereof, or any other legal or commercial entity.

(6) "Priority Certificate of Delinquency" means a current certificate of delinquency which relates to a property on which a potential purchaser already owns a prior year certificate of delinquency.

(7) "Protected Certificate of Delinquency" means a certificate of delinquency which is:

(a) Currently involved in litigation;

(b) Part of an ongoing bankruptcy proceeding of which the county clerk has received actual notice; or

(c) The subject of an agreed payment plan in good standing.

(8) "Related entities" or "related interests" means a relationship between two persons in which a person:

(a) Can exercise control or significant influence over another person;

(b) Is related by blood, adoption, or marriage to another person;

(c) Controls or is controlled by another person; or

(d) Is an agent or affiliate of another person.

(9) "Sale" means the annual sale by the county clerk of certificates of delinquency to third party purchasers.

Section 2. Establishing Sale Date. (1)(a) The Department of Revenue shall develop a

preliminary statewide schedule for certificate of delinquency sales and shall notify each county clerk on or before May 1 of each year of the proposed date of the county's sale.

(b) A county clerk may, within five (5) business days of notification of the preliminary schedule, make a written request to the department to change the proposed sale date for his or her county.

(c) Date changes shall be made solely in the discretion of the department.

(d) Any adjustments shall be made after consultation with the county clerk and shall be completed on or before May 15 of that same year.

(e) The department shall publish the final sale schedule as soon as practicable after May 15 of each year.

(2)(a) The county clerk shall notify the county attorney of the sale date as soon as practicable after May 15 of each year.

(b) Between ten (10) and fifteen (15) days prior to the sale date, the county attorney shall provide the county clerk a list of all protected certificates of delinquency.

(c) A certificate of delinquency included on the protected list shall not be sold at the county clerk's sale.

(3) Except as provided in KRS 134.127, the county clerk shall not assign any current certificate of delinquency prior to the sale.

Section 3. Purchaser's Registration with the County Clerk. (1) A third party purchaser shall register with the county clerk prior to participating in the county's sale. A new registration shall be required for each year's sale.

(2) A third party purchaser's registration shall include:

(a) The purchaser's name, physical address, mailing address and phone number;

(b) A copy of the Certificate of Registration required by 103 KAR 5:190;

(c) A list of the priority certificates of delinquency the purchaser intends to purchase. This list shall be clearly marked and shall include the total amount due for all priority certificates of delinquency listed and the following information for each priority certificate of delinquency listed:

1. The current year's tax bill number;

2. The taxpayer name;

3. The amount due on the current certificate of delinquency;

4. The prior year certificate of delinquency's tax bill number;

5. The prior year certificate of delinquency's tax year;

6. The book and page numbers where the prior year certificate of delinquency is filed, if applicable;

7. The account or parcel identification number if the county uses that number to identify specific properties; and

8. If requested by the county clerk, a copy of the prior year certificate of delinquency;

(d) A list of the current certificates of delinquency the purchaser intends to purchase. This list shall be clearly marked and shall include the total amount due for all certificates of delinquency listed and the following information for each certificate of delinquency listed:

1. The taxpayer name;

2. The amount due on the certificate of delinquency;

3. The current year's tax bill number; and

4. The account or parcel identification number if the county uses that number to identify specific properties.

(e) The following sworn statement: "I hereby certify that I am not participating in this sale in conjunction with any related person or related entity to obtain any advantage over other

potential purchasers at the sale.";

(f) The deposit required by the county clerk pursuant to Section 4 of this administrative regulation; and

(g) Payment of the registration fee of five (5) dollars for each certificate of delinquency included on the purchaser's list of priority certificates of delinquency and ten (10) dollars for each certificate of delinquency included on the purchaser's list of current certificates of delinquency. The total registration fee shall not exceed \$250.

(3)(a) Except as provided by paragraphs (b) and (c) of this subsection, the registration material required by subsection (2) of this section shall be submitted to the county clerk no later than fifteen (15) days prior to the sale.

(b) The deposit required by Section 4 of this administrative regulation shall be submitted to the county clerk no later than five (5) days to the sale.

(c) The list of current certificates of delinquency required by subsection (2)(d) of this section shall be submitted to the county clerk no later than ten (10) days prior to sale.

(d) The county clerk shall include these deadlines in all advertisement required by KRS 134.128(5).

(4) Prior to the sale, the county clerk shall:

(a) Review each registration and confirm that each registrant has complied with KRS 134.129 and that related entities or related interests are not participating or attempting to participate in the sale in a manner designed to subvert the fairness of the sale or to deprive other participants from an equitable opportunity to purchase certificates of delinquency at the sale. If the county clerk determines that a purchaser has violated or has attempted to violate this section, the county clerk shall notify the county attorney and the Department of Revenue of the violation or attempted violation;

(b) Review all the lists of priority certificates of delinquency for purchase submitted by purchasers to verify that the registrant has a priority right to purchase the listed certificates of delinquency;

(c) Review the submitted priority purchase lists to identify multiple purchasers interested in the certificates of delinquency on the same property and, based upon the information submitted, determine the registrant that holds the prior year claim for the most recent tax year; and

(d) No later than forty-eight (48) hours prior to the sale, make available to each third party purchaser registered for the sale, copies of all lists of priority certificates submitted pursuant to subsection (2)(c) of this section.

Section 4. Deposit Requirement. (1) A purchaser shall deposit funds with the county clerk at the time of registration in the following amounts:

(a) 100% of the value of each certificate of delinquency included on the purchaser's list of priority certificates of delinquency;

(b) All clerk's fees associated with each certificate of delinquency included on the purchaser's list of priority certificates of delinquency;

(c) Twenty-five (25) percent of the value of each certificate of delinquency included on the purchaser's list of current certificates of delinquency. A purchaser shall not be required to pay an additional deposit if the certificate of delinquency is included on both lists, and if both lists clearly indicate that the certificate is included on both lists. A purchaser may deposit more than the minimum amount required by the county clerk.

(2) The county clerk shall apply the deposit to payment of any certificate of delinquency purchased at the sale.

(3) The county clerk shall refund any unused portion of the deposit to the purchaser no later

than ten (10) business days after the completion of the sale.

(4) The county clerk shall:

(a) Accept payment of the deposit in a method of payment that complied with KRS 134.126(1)(b); and

(b) Not require that a deposit be made in cash. Inadequate deposit, the county clerk shall allow the third party purchaser an opportunity to submit additional funds to reach the correct deposit amount. The deposit shall be paid in full by the day of the sale.

Section 5. Payment. (1) Payment of any outstanding balance, after application of all deposits, shall be made at a time determined by the county clerk, but no later than ten (10) business days after the sale. The total amount due shall include all clerk's fees for all certificates of delinquency purchased at the sale.

(2) The county clerk shall:

(a) Accept payment of the deposit in a method of payment that complied with KRS 134.126(1)(b);

(b) Not require that a deposit be made in cash; and

(c) Include a list of the acceptable forms of payment in all advertisements for the sale.

(3)(a) If full payment is not made for the certificates of delinquency at the time designated by the county clerk, the county clerk shall not assign any certificate of delinquency for which full payment has not been received and those certificates of delinquency shall be available for payment pursuant to KRS 134.127(1)(b).

(b) The county clerk shall have discretion as to how to allocate partial payments.

(c) If the purchaser's failure to make payment results in additional cost or expense to the county clerk, the county clerk shall forfeit the purchaser's deposit to cover those additional costs and expenses.

Section 6. Conduct of the Sale. (1)(a) The county clerk may sell the requested priority certificates of delinquency to the purchasers who submitted a list prior to the sale at the beginning of the sale, or as soon as practicable after the sale.

(b) The purchaser holding a certificate of delinquency from the most recent tax year shall have priority.

(c) If a purchaser holding a certificate of delinquency from the most recent tax year declines to purchase the priority certificate of delinquency, the purchaser holding a prior certificate of delinquency from the next most recent year shall be allowed to purchase the certificate of delinquency if included on their list of priority certificates of delinquency.

(2)(a) The certificates of delinquency remaining at the time of the sale shall be sold as established by subsection (3) of this section.

(b) The order of selection of lots by registered purchasers shall be determined by a random drawing on the day of the sale.

(c) The purchaser who draws the lowest number during the random drawing shall have the first turn to choose a lot for purchase. Thereafter, purchasers shall select lots to purchase in order based on the random drawing from lowest to highest.

(d) Purchasers who are not present for the random drawing shall be placed at the bottom of the selection list behind the purchasers who were present for the random drawing.

(3)(a) Except as provided in paragraph (b) of this subsection, the certificates of delinquency remaining at the time of sale shall be sold in lot sizes as follows:

1. In counties with 500 or fewer certificates of delinquency to be sold, the certificates of delinquency shall be sold in lots of up to five (5);

2. In counties with more than 500 and less than 1,000 certificates of delinquency to be sold,

the certificates of delinquency shall be sold in lots of up to ten (10);

3. In counties with at least 1,000 and not more than 2,500 certificates of delinquency to be sold, the certificates of delinquency shall be sold in lots of up to twenty-five (25);

4. In counties with at least 2,500 and not more than 7,500 certificates of delinquency to be sold, the certificates of delinquency shall be sold in lots of up to fifty (50); and

5. In counties with more than 7,500 certificates of delinquency to be sold, the certificates of delinquency shall be sold in lots of no more than fifty (50) for the first four (4) rounds, and, for all subsequent rounds, shall be sold in lots not to exceed two (2) percent of the total number of current certificates of delinquency included in the pool for the sale.

(b) For any round of a sale, if, there are more certificates of delinquency to be sold than purchasers participating in the sale, the lot size used for that round shall not create fewer lots than the number of purchasers participating.

(4) The county clerk shall set a reasonable time limit for purchasers to make their selections.

(5) A purchaser may withdraw from the sale at any time prior to completion of the sale. If a purchaser withdraws from the sale, the purchaser shall not make any further purchases in any later round of the sale. Another purchaser shall not take the place of the withdrawing purchaser.

(6) A purchaser may purchase less than a full lot of certificates of delinquency. If a purchaser purchases less than a full lot in three (3) consecutive rounds, the purchaser shall be considered to have withdrawn from the sale after the partial lot purchase.

(7)(a) The county clerk shall apply the purchaser's deposit to the total amount due for the certificates of delinquency purchased.

(b) The purchaser shall pay any additional funds required on or before the payment deadline established by the county clerk pursuant to Section 4 of this administrative regulation.

(c) The total amount due shall include all clerk's fees for all certificates of delinquency purchased at the sale.

(d) Any amount of deposit remaining after the sale shall be refunded to the purchaser.

(8) Purchasers shall only purchase those certificates of delinquency listed on the registration required by Section 3 of this administrative regulation.

(9) Any questions or controversies relating to the sale shall be addressed by the county clerk.

Section 7. Department of Revenue Oversight. The Commissioner of the Department of Revenue or his or her duly appointed representative shall have access to all sales and shall be permitted to review or audit the records relating to the sale of certificates of delinquency. (36 Ky.R. 1391; 2082-M; 2028-A; eff. 5-7-2010; Crt eff. 6-7-2019.)

**VARIOUS STATUTES GOVERNING REAL
PROPERTY TAX DUTIES PERFORMED BY
COUNTY CLERK'S OFFICE**

49.220 Exclusive jurisdiction of commission -- Notice of rulings of county or state agencies -- Appeals to commission -- Procedure.

- (1) The commission, pursuant to KRS 49.020, is vested with exclusive jurisdiction to hear and determine appeals from final rulings, orders, and determinations of any agency of state or county government affecting revenue and taxation. Administrative hearings before the commission shall be de novo and conducted in accordance with KRS Chapter 13B and administrative regulations promulgated by the commission.
- (2) Any state or county agency charged with the administration of any taxing or licensing measure which is under the jurisdiction of the commission shall mail by certified mail notice of its ruling, order, or determination within three (3) working days from the date of the decision.
- (3) Any party aggrieved by any ruling, order, or determination of any state or county agency charged with the administration of any taxing or licensing measure may prosecute an appeal to the commission by filing a complaint or petition of appeal before the commission within thirty (30) days from the date of the mailing of the agency's ruling, order, or determination.
- (4) If the Department of Revenue is aggrieved by the decision of any county board of assessment appeals on an assessment recommended by the department and prosecutes an appeal to the commission as authorized in subsection (3) of this section, the commissioner of revenue shall, within twenty (20) days, certify in writing to the commission the assessment recommended.
- (5) The commission shall immediately forward copies of the certification to the parties to the appeal. The assessed value shall be prima facie evidence of the value at which the property should be assessed.

Effective: June 29, 2017.

History: Repealed, reenacted, renumbered, and amended 2017 Ky. Acts ch. 74, sec. 22, effective June 29, 2017. -- Amended 2005 Ky. Acts ch. 85, sec. 133, effective June 20, 2005. -- Amended 1996 Ky. Acts ch. 318, sec. 32, effective July 15, 1996. -- Amended 1986 Ky. Acts ch. 410, sec. 1, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 111, sec. 71, effective July 13, 1984. -- Created 1964 Ky. Acts ch. 141, sec. 6.

Formerly codified as KRS 131.340.

**64.012 Fees of county clerks -- Use of fees for recording real estate mortgages --
Reimbursement of clerk.**

(1) The county clerk shall receive for the following services the following fees:

- (a) 1. Recording and indexing of a:
 - a. Deed of trust or assignment for the benefit of creditors;
 - b. Deed;
 - c. Deed of assignment;
 - d. File-stamped copy of documents set forth in KRS 14A.2-040(1) or (2) that have been filed first with the Secretary of State;
 - e. Real estate option;
 - f. Power of attorney;
 - g. Revocation of power of attorney;
 - h. Lease which is recordable by law;
 - i. Deed of release of a mortgage or lien under KRS 382.360;
 - j. United States lien;
 - k. Release of a United States lien;
 - l. Release of any recorded encumbrance other than state liens;
 - m. Lis pendens notice concerning proceedings in bankruptcy;
 - n. Lis pendens notice;
 - o. Mechanic's and artisan's lien under KRS Chapter 376;
 - p. Assumed name;
 - q. Notice of lien issued by the Internal Revenue Service;
 - r. Notice of lien discharge issued by the Internal Revenue Service;
 - s. Original, assignment, amendment, or continuation financing statement;
 - t. Making a record for the establishment of a city, recording the plan or plat thereof, and all other service incident;
 - u. Survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city;
 - v. Recording with statutory authority for which no specific fee is set, except a military discharge;
 - w. Will or other probate document pursuant to KRS Chapter 392 or 394;
 - x. Court ordered name change pursuant to KRS Chapter 401;
 - y. Land use restriction according to KRS 100.3681; and
 - z. Filing with statutory authority for which no specific fee is set.
- For all items in this subsection if the entire thereof does not exceed five (5) pages\$33.00

And, for all items in this subsection exceeding five (5) pages,
for each additional page\$3.00

And, for all items in this subsection for each additional reference
relating to same instrument\$4.00

2. The thirty-three dollar (\$33) fee imposed by this subsection shall be divided as follows:
 - a. Twenty-seven dollars (\$27) shall be retained by the county clerk;
and
 - b. Six dollars (\$6) shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.
- (b) For noting a security interest on a certificate of title pursuant to KRS Chapter 186A\$12.00
- (c) For filing the release of collateral under a financing statement and noting same upon the face of the title pursuant to KRS Chapter 186 or 186A\$5.00
- (d) Filing or recording state tax or other state liens\$5.00
- (e) Filing release of a state tax or other state lien\$5.00
- (f) Acknowledging or notarizing any deed, mortgage, power of attorney, or other written instrument required by law for recording and certifying same\$5.00
- (g) Recording plats, maps, and surveys, not exceeding 24 inches by 36 inches, per page\$40.00
- (h) Recording a bond, for each bond\$10.00
- (i) Each bond required to be taken or prepared by the clerk\$4.00
- (j) Copy of any bond when ordered\$3.00
- (k) Administering an oath and certificate thereof\$5.00
- (l) Issuing a license for which no other fee is fixed by law\$8.00
- (m) Issuing a solicitor's license\$15.00
- (n) Marriage license, indexing, recording, and issuing certificate thereof\$26.50
- (o) Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed, or discontinued, and by the applicant when it is not\$3.00
- (p) Registration of licenses for professional persons required to register with the county clerk\$10.00

- (q) Certified copy of any record\$5.00
Plus fifty cents (\$.50) per page after three (3) pages
- (r) Filing certification required by KRS 65.070(2)(a)\$5.00
- (s) Filing notification and declaration and petition of candidates
for Commonwealth's attorney\$200.00
- (t) Filing notification and declaration and petition of candidates for county
and independent boards of education\$20.00
- (u) Filing notification and declaration and petition of candidates for
boards of soil and water conservation districts\$20.00
- (v) Filing notification and declaration and petition of candidates for
other office\$50.00
- (w) Filing declaration of intent to be a write-in candidate for office\$50.00
- (x) Filing petitions for elections, other than nominating petitions\$50.00
- (y) Notarizing any signature, per signature\$2.00
- (z) Filing bond for receiving bodies under KRS 311.310\$10.00
- (aa) Noting the assignment of a certificate of delinquency and recording
and indexing the encumbrance under KRS 134.126 or 134.127\$27.00
- (ab) Filing a going-out-of-business permit under KRS 365.445\$50.00
- (ac) Filing a renewal of a going-out-of-business permit under KRS 365.445 \$50.00
- (ad) Filing and processing a transient merchant permit under KRS 365.680 .25.00
- (ae) Recording and indexing a real estate mortgage:
 - 1. For a mortgage that does not exceed thirty (30) pages\$63.00
 - 2. And, for a mortgage that exceeds thirty (30) pages, for each additional
page\$3.00
- (af) Filing or recording a lien or release of lien by a consolidated local
government, urban-county government, unified local government, or city of
any class\$20.00
- (2) The sixty-three dollar (\$63) fee imposed by subsection (1)(ae) of this section shall
be divided as follows:
 - (a) Fifty-seven dollars (\$57) shall be retained by the county clerk; and
 - (b) Six dollars (\$6) shall be paid to the affordable housing trust fund established
in KRS 198A.710 and shall be remitted by the county clerk within ten (10)
days following the end of the quarter in which the fee was received. Each
remittance to the affordable housing trust fund shall be accompanied by a
summary report on a form prescribed by the Kentucky Housing Corporation.
- (3) For services related to the permanent storage of records listed in paragraphs (a), (g),
(n), and (ae) of subsection (1) of this section, the clerk shall be entitled to receive a
reimbursement of ten dollars (\$10).

Effective: July 15, 2020

History: Amended 2020 Ky. Acts ch. 49, sec. 2, effective July 15, 2020. -- Amended 2019 Ky. Acts ch. 86, sec. 43, effective January 1, 2020; and ch. 88, sec. 26, effective August 1, 2019. -- Amended 2014 Ky. Acts ch. 92, sec. 28, effective January 1, 2015. -- Amended 2013 Ky. Acts ch. 40, sec. 82, effective March 21, 2013. -- Amended 2010 Ky. Acts ch. 151, sec. 49, effective January 1, 2011. -- Amended 2009 Ky. Acts ch. 10, sec. 56, effective January 1, 2010. -- Amended 2006 Ky. Acts ch. 255, sec. 3, effective August 1, 2006. -- Amended 2002 Ky. Acts ch. 34, sec. 3, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 408, sec. 176, effective July 1, 2001. -- Amended 1996 Ky. Acts ch. 195, sec. 26, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 28, sec. 2, effective July 15, 1994; ch. 239, sec. 2, effective July 15, 1994; and ch. 428, sec. 1, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 288, sec. 59, effective July 14, 1992. -- Amended 1986 Ky. Acts ch. 118, sec. 94, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 185, sec. 3, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 161, sec. 1, effective July 15, 1982; and ch. 375, sec. 1, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 21, sec. 3, effective July 15, 1980; ch. 30, sec. 4, effective July 15, 1980; ch. 143, sec. 2, effective July 15, 1980; and ch. 240, sec. 4, effective July 15, 1980. -- Created 1978 Ky. Acts ch. 84, sec. 1, effective June 17, 1978.

Legislative Research Commission Note (7/15/94). This section was amended by 1994 Ky. Acts chs. 28, 239, and 428. Where these Acts are not in conflict, they have been codified together. Where a conflict exists between Acts chs. 28 and 428, Acts ch. 428, which was last enacted by the General Assembly, prevails under KRS 446.250.

64.019 Procedures for obtaining copies of records under control of county clerk -- Per-page fee.

Notwithstanding any other provision of the Kentucky Revised Statutes:

- (1) A county clerk may establish procedures for obtaining copies of records under his or her control, including restricting the use of devices including but not limited to scanners, cameras, computers, personal copiers, or other devices that may be used by an individual seeking a copy of a document maintained by the clerk, but a clerk shall not restrict the ability of any person to make handwritten notes regarding documents and records maintained by the clerk.
- (2)
 - (a) Unless the provisions of paragraph (b) of this subsection apply, the county clerk shall collect a per-page fee, not to exceed fifty cents (\$0.50) per page, for providing legal size or smaller paper copies of records or documents maintained by the clerk.
 - (b) If a higher fee for copying a document or record is specifically established by statute, the provisions of that statute shall prevail over the provisions of this subsection.

Effective: April 23, 2012

History: Created 2012 Ky. Acts ch. 161, sec. 12, effective April 23, 2012.

132.0225 Deadline for establishing final tax rate -- Exemption -- Procedure if increased revenue is greater than four percent.

- (1) A taxing district that does not elect to attempt to set a rate that will produce more than four percent (4%) in additional revenue, exclusive of revenue from new property as defined in KRS 132.010, over the amount of revenue produced by the compensating tax rate as defined in KRS 132.010 shall establish a final tax rate within forty-five (45) days of the department's certification of the county's property tax roll. A city that does not elect to have city ad valorem taxes collected by the sheriff as provided in KRS 91A.070(1) shall be exempt from this deadline. Any nonexempt taxing district that fails to meet this deadline shall be required to use the compensating tax rate for that year's property tax bills.
- (2) A taxing district that elects to attempt to set a rate that will produce more than four percent (4%) in additional revenue, exclusive of revenue from new property as defined in KRS 132.010, over the amount of revenue produced by the compensating tax rate as defined in KRS 132.010 shall follow the provisions of KRS 132.017.

Effective: June 25, 2009

History: Amended 2009 Ky. Acts ch. 69, sec. 1, effective June 25, 2009. -- Created 1994 Ky. Acts ch. 9, sec. 3, effective July 15, 1994.

Legislative Research Commission Note (10/21/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

133.020 County board of assessment appeals -- Membership -- Appointment -- Temporary panels -- Oath -- Training -- Replacement of member -- Conflict of interest.

- (1)
 - (a) The county board of assessment appeals shall be composed of reputable real property owners residing in the county at least five (5) years.
 - (b) The appointing authorities may appoint qualified property owners residing in adjacent counties when qualified members cannot be secured within the county.
 - (c)
 1. The board shall consist of three (3) members, one (1) to be appointed by the county judge/executive, one (1) to be appointed by the fiscal court, and one (1) to be appointed by the mayor of the city with the largest assessment using the county tax roll or appointed as otherwise provided by the comprehensive plan of an urban-county government.
 2. The mayor's appointment shall serve for four (4) years, the county judge/executive's appointment shall serve for three (3) years, and the fiscal court's appointment shall serve for two (2) years. Each person appointed thereafter shall serve for three (3) years.
 3. If no city in the county uses the county assessment, the county judge/executive shall appoint two (2) members.
 - (d) A board member who has served for a full term shall not be eligible for reappointment. However, he or she shall be eligible for appointment after a hiatus of three (3) years.
 - (e)
 1. If the number of appeals to the board of assessment appeals filed with the county clerk exceeds one hundred (100), temporary panels of the board may be appointed with approval of the department.
 2. Each temporary panel shall consist of three (3) members having the same qualifications and appointed in the same manner as the board members.
 3. The number of additional panels shall not exceed one (1) for each one hundred (100) appeals in excess of the first one hundred (100).
 4. The county judge/executive shall designate one (1) of the members of the board of assessment appeals to serve as chairman of the board.
 5. If additional panels are appointed, as provided in this paragraph, the chairman of the board of assessment appeals shall designate one (1) member of each additional panel as chairman of the panel.
 - (f)
 1. A majority of the board or of any panel may determine the action of the board or panel respectively and make decisions.
 2. Each panel of the board shall have the same powers and duties given the board by KRS 133.120, except the action of any panel shall be subject to review and final approval by the board.
- (2) Each member of the board shall have extensive knowledge of real estate values, preferably in real estate appraisal, sales, management, financing, or construction.

- (3) The board shall be subject to call by the county judge/executive at any time prescribed by law.
- (4) The members of the county board of assessment appeals, and any panel of the board, before undertaking their duties, shall take the following oath, to be administered by the county judge/executive or other person authorized by KRS 62.020 to administer official oaths: "You swear (affirm) that you will, to the best of your ability, discharge the duties required of you as a member of the county board of assessment appeals, and that you will fix at fair cash value all property assessments brought before you for review as prescribed by law."
- (5) The department shall prepare and furnish to each property valuation administrator guidelines and materials for an orientation and training program to be presented to the board by the property valuation administrator or his deputy each year.
- (6)
 - (a) A board member shall produce evidence of his qualifications upon request of the department.
 - (b) A board member shall be replaced by the appointing authority upon proof of the member's failure to meet the qualifications of the position.
 - (c) Any vacancy on the board shall be filled by the appointing authority that appointed the member to be replaced.
 - (d) The appointee shall have the qualifications required by statute for the board member appointed by the particular appointing authority and shall hold office only to the end of the unexpired term of the member replaced.
- (7) Members of the county board of assessment appeals, and any temporary panel, shall abstain from hearing or ruling on an appeal for any property in which they have any personal or private interests.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 67, sec. 2, effective June 24, 2015. -- Amended 2014 Ky. Acts ch. 92, sec. 216, effective January 1, 2015. -- Amended 2005 Ky. Acts ch. 85, sec. 225, effective June 20, 2005. -- Amended 1994 Ky. Acts ch. 85, sec. 3, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 449, sec. 4, effective April 13, 1992. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 20, sec. 6, effective January 2, 1978. -- Amended 1974 Ky. Acts ch. 326, sec. 2. -- Amended 1968 Ky. Acts ch. 179, sec. 1. -- Amended 1960 Ky. Acts ch. 186, Art. 1, sec. 21. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 5, sec. 4. -- Amended 1946 Ky. Acts ch. 12, sec. 1. -- Amended 1942 Ky. Acts ch. 131, secs. 17(1), (2) and 32. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4115, 4116, 4117, 4118.

133.030 Meetings of board of assessment appeals -- Records of property valuation administrator to be available -- Compensation of board members.

- (1) The county board of assessment appeals shall convene each year at the county seat no earlier than twenty-five (25) days and no later than thirty-five (35) days following the conclusion of the tax roll inspection period provided for in KRS 133.045. When a property valuation administrator has received permission to extend the appeal filing deadline as set out in KRS 133.120(2)(d), the county board of assessment appeals shall convene no earlier than twenty-five (25) days and no later than thirty-five (35) days after the approved filing deadline. No meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the Department of Revenue as provided by KRS 132.690 or by the department itself as provided by KRS 133.150. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.
- (2) The first regular meeting day of the board shall be devoted to the orientation and training program provided for in KRS 133.020(5), to a review of the assessment of the property valuation administrator and his deputies, and to a review of the appeals filed with the county clerk as clerk of the board, including a review of recent sales of comparable properties provided in accordance with the provisions of subsection (1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such inspection will assist in the proper determination of fair cash value.
- (3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day, if there are no appeals to be heard, nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the Department of Revenue upon request of the county judge/executive. Each board member shall be paid one hundred dollars (\$100) for each day he serves. This compensation shall be paid one-half (1/2) out of the county levy and the other half out of the State Treasury.
- (4) Members of temporary panels of the board shall serve the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the Department of Revenue. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the board.

Effective: March 21, 2017

History: Amended 2017 Ky. Acts ch. 81, sec. 3, effective March 21, 2017. -- Amended 2005 Ky. Acts ch. 85, sec. 226, effective June 20, 2005. -- Amended 1992 Ky. Acts ch. 449, sec. 5, effective April 13, 1992. -- Amended 1988 Ky. Acts ch. 303, sec. 8, effective July 15, 1988. -- Amended 1980 Ky. Acts ch. 261, sec. 2, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 20, sec. 6, effective January 2, 1978. -- Amended 1974 Ky. Acts ch. 326, sec. 3. -- Amended 1968 Ky. Acts ch. 152, sec. 106; and ch. 179, sec. 2. -- Amended 1954 Ky. Acts ch. 150, sec. 1. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 13. -- Amended 1942 Ky. Acts ch. 131, secs. 18 and 32. -- Recodified

133.120 Appeal procedure.

- (1) (a) Any taxpayer desiring to appeal an assessment on real property made by the property valuation administrator shall first request a conference with the property valuation administrator or his or her designated deputy. The conference shall be held prior to or during the inspection period provided for in KRS 133.045, or during an extension granted under subsection (2)(d) of this section.
 - (b) 1. Any person receiving compensation to represent a property owner at a conference with the property valuation administrator for a real property assessment shall be:
 - a. An attorney;
 - b. A certified public accountant;
 - c. A certified real estate broker;
 - d. A Kentucky licensed real estate broker;
 - e. An employee of the property owner;
 - f. A licensed or certified Kentucky real estate appraiser;
 - g. An appraiser who possesses a temporary practice permit or reciprocal license or certification in Kentucky to perform appraisals and whose license or certification requires him or her to conform to the Uniform Standards of Professional Appraisal Practice; or
 - h. Any other individual possessing a professional appraisal designation recognized by the department.
 2. A person representing a property owner before the property valuation administrator shall present written authorization from the property owner which sets forth his or her professional capacity and shall disclose to the property valuation administrator any personal or private interests he or she may have in the matter, including any contingency fee arrangements, except that attorneys shall not be required to disclose the terms and conditions of any contingency fee arrangement.
 - (c) During this conference, the property valuation administrator or his or her deputy shall provide an explanation to the taxpayer of the constitutional and statutory provisions governing property tax administration, including the appeal process, as well as an explanation of the procedures followed in deriving the assessed value for the taxpayer's property.
 - (d) The property valuation administrator or his or her deputy shall keep a record of each conference which shall include but not be limited to the initial assessed value, the value claimed by the taxpayer, an explanation of any changes offered or agreed to by each party, and a brief account of the outcome of the conference.
 - (e) At the request of the taxpayer, the conference may be held by telephone.
- (2) (a) Any taxpayer still aggrieved by an assessment on real property made by the

property valuation administrator after complying with the provisions of subsection (1) of this section may appeal to the board of assessment appeals.

- (b) The taxpayer shall appeal his or her assessment by filing in person or sending a letter or other written petition to the county clerk stating the reasons for appeal, identifying the property for which the appeal is filed, and stating the taxpayer's opinion of the fair cash value of the property.
- (c) The appeal shall be filed no later than one (1) workday following the conclusion of the inspection period provided for in KRS 133.045 or no later than the last day of an extension granted under paragraph (d) of this subsection.
- (d) A property valuation administrator may make a written request to the department to extend the deadline in his or her county of jurisdiction to allow the completion of the conferences requested during the inspection period required by subsection (1)(a) of this section and to extend the filing deadline for appeals to the board of assessment appeals. If approved by the department, the deadline for the completion of the conferences requested during the inspection period and filing appeals shall be extended for a period not to exceed twenty-five (25) days from the date of the original filing deadline.
- (e) The county clerk shall notify the department of all assessment appeals and of the date and times of the hearings.
- (f) The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the county judge/executive, mayor of any city using the county assessment, or the superintendent of any school district in which the property is located, if the recommendation is made to the board in writing specifying the individual properties recommended for review and is made no later than one (1) work day following the conclusion of the inspection period provided for in KRS 133.045, or no later than the last day of an extension granted under paragraph (d) of this subsection, or upon the written recommendation of the department. If the board of assessment appeals determines that the assessment should be increased, it shall give the taxpayer notice in the manner required by subsection (4) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he or she so desires, in protest of an increase.
- (g) Any real property owner who has listed his or her property with the property valuation administrator at its fair cash value may ask the county board of assessment appeals to review the assessments of real properties he or she believes to be assessed at less than fair cash value, if he or she specifies in writing the individual properties for which the review is sought and factual information upon which his or her request is based, such as comparable sales or cost data and if the request is made no later than one (1) work day following the conclusion of the inspection period provided for in KRS 133.045, or no later than the last day of an extension granted under paragraph (d) of this subsection.
- (h) Nothing in this section shall be construed as granting any property owner the

right to request a blanket review of properties or the board the power to conduct such a review.

- (3) (a) The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection (2) of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value.
 - (b) The department may be present at the hearing and present any pertinent evidence as it pertains to the appeal.
 - (c) The taxpayer shall provide factual evidence to support his or her appeal. If the taxpayer fails to provide reasonable information pertaining to the value of the property requested by the property valuation administrator, the department, or any member of the board, his or her appeal shall be denied.
 - (d) This information shall include but not be limited to the physical characteristics of land and improvements, insurance policies, cost of construction, real estate sales listings and contracts, income and expense statements for commercial property, and loans or mortgages.
 - (e) The board of assessment appeals shall only hear and consider evidence which has been submitted to it in the presence of both the property valuation administrator or his or her designated deputy and the taxpayer or his or her authorized representative.
- (4) (a) Any person receiving compensation to represent a property owner in an appeal before the board shall be:
 1. An attorney;
 2. A certified public accountant;
 3. A certified real estate broker;
 4. A Kentucky licensed real estate broker;
 5. An employee of the taxpayer;
 6. A licensed or certified Kentucky real estate appraiser;
 7. An appraiser who possesses a temporary practice permit or reciprocal license or certification in Kentucky to perform appraisals and whose license or certification requires him or her to conform to the Uniform Standards of Professional Appraisal Practice; or
 8. Any other individual possessing a professional appraisal designation recognized by the department.
 - (b) A person representing a property owner before the county board of assessment appeals shall present a written authorization from the property owner which sets forth his or her professional capacity and shall disclose to the county board of assessment appeals any personal or private interests he or she may have in the matter, including any contingency fee arrangements, except that attorneys shall not be required to disclose the terms and conditions of any contingency fee arrangement.

- (5) The board shall provide a written opinion justifying its action for each assessment either decreased or increased in the record of its proceedings and orders required in KRS 133.125 on forms or in a format provided or approved by the department.
- (6) The board shall report to the property valuation administrator any real property omitted from the tax roll. The property valuation administrator shall assess the property and immediately give notice to the taxpayer in the manner required by KRS 132.450(4), specifying a date when the board of assessment appeals will hear the taxpayer, if he or she so desires, in protest of the action of the property valuation administrator.
- (7) The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.
- (8) The powers of the board of assessment appeals shall be limited to those specifically granted by this section.
- (9) No appeal shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which he or she claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal, the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.015(6) shall apply to the tax bill.
- (10) Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky Claims Commission pursuant to KRS 49.220. Any persons aggrieved by a decision of the board, including the property valuation administrator, taxpayer, and department, may appeal the decision to the Kentucky Claims Commission pursuant to KRS 49.220. Any taxpayer failing to appeal to the county board of assessment appeals, or failing to appear before the board, either in person or by designated representative, shall not be eligible to appeal directly to the Kentucky Claims Commission.
- (11) The county attorney shall represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. If the county attorney is unable to represent the state and county, he or she the fiscal court shall arrange for substitute representation.
- (12) Taxpayers shall have the right to make audio recordings of the hearing before the county board of assessment appeals. The property valuation administrator may make similar audio recordings only if prior written notice is given to the taxpayer. The taxpayer shall be entitled to a copy of the department's recording as provided in KRS 61.874.
- (13) The county board of assessment appeals shall physically inspect a property upon the request of the property owner or property valuation administrator.

Effective: June 29, 2017

History: Amended 2017 Ky. Acts ch. 74, sec. 72, effective June 29, 2017; and ch. 81, sec. 2, effective March 21, 2017. -- Amended 2015 Ky. Acts ch. 67, sec. 3, effective June 24, 2015. -- Amended 2009 Ky. Acts ch. 10, sec. 42, effective January 1, 2010. -- Amended 2005 Ky. Acts ch. 85, sec. 231, effective June 20, 2005. -- Amended 1994 Ky. Acts ch. 85, sec. 5, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 397, sec. 3, effective July 14, 1992; and ch. 449, sec. 6, effective April 13, 1992. -- Amended 1990 Ky. Acts ch. 411, sec. 11, effective July 13, 1990; and ch. 476, Pt. V, sec. 339, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 303, sec. 11, effective July 15, 1988. -- Amended 1982 Ky. Acts ch. 452, sec. 7, effective July 1, 1982. -- Amended 1980 Ky. Acts ch. 317, sec. 5, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 384, sec. 264, effective June 17, 1978. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 20, sec. 6, effective January 2, 1978. -- Amended 1974 Ky. Acts ch. 326, sec. 6. -- Amended 1964 Ky. Acts ch. 141, sec. 34. -- Amended 1950 Ky. Acts ch. 18, sec. 1. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 7. -- Amended 1944 Ky. Acts ch. 99, sec. 1. -- Created 1942 Ky. Acts ch. 131, secs. 16 and 32.

Legislative Research Commission Note (6/29/2017). This statute was amended by 2017 Ky. Acts chs. 74 and 81, which do not appear to be in conflict and have been codified together.

Legislative Research Commission Note (7/14/92). Pursuant to KRS 7.136(1), in codifying this section the Reviser of Statutes has corrected an erroneous cross-reference that resulted from the amendment process in the enactment of 1992 Ky. Acts ch. 397, sec. 3. That Act and Acts ch. 449 both amend this statute and not otherwise being in conflict have been compiled together.

Legislative Research Commission Note (7/13/90). The Act amending this section prevails over the repeal and reenactment in House Bill 940, Acts ch. 476, pursuant to Section 653(1) of Acts ch. 476.

133.125 Summary of appeals -- Final recapitulation -- Clerk of board of assessment appeals -- Duties -- Compensation.

- (1) No later than three (3) working days after the expiration of the inspection period provided for in KRS 133.045, or three (3) working days after any extension of a filing deadline for appeals as set out in KRS 133.120(2)(d), the county clerk shall provide a copy to the property valuation administrator of each appeal petition and a summary of the appeals filed with the county board of assessment appeals. The summary shall be in a format, or on a form, provided or approved by the Department of Revenue. The property valuation administrator shall, within three (3) working days of receipt of the summary, prepare and submit to the Department of Revenue a final recapitulation of the real property tax roll incorporating all changes made since the submission of the first recapitulation. Those properties under appeal shall be listed for recapitulation and certification purposes at the value claimed by the taxpayer. After submission of the final recapitulation to the Department of Revenue, assessments shall not be amended except for adjustments ordered by the board and for corrections made under the provisions of KRS 133.110 and KRS 133.130.
- (2) The county clerk, or an authorized deputy, shall act as clerk of the board of assessment appeals; and where additional board panels are appointed, as provided by law, one (1) authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the property valuation administrator placed on the property, and the amount of change made in the assessment by the board. A copy certified by the chairman of the board and attested by the county clerk shall be filed by the clerk with the property valuation administrator and with the Department of Revenue within five (5) days after the adjournment of the board.
- (3) The county clerk shall certify to the county judge/executive the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the board members for their services. On a presentation of a copy of the order, the Finance and Administration Cabinet shall draw a warrant on the State Treasurer in favor of the board members and clerk for the amount due for their services.
- (4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of their county, and they shall be paid in the same manner as members of the board are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.

Effective: March 21, 2017

History: Amended 2017 Ky. Acts ch. 81, sec. 4, effective March 21, 2017. -- Amended 2005 Ky. Acts ch. 85, sec. 233, effective June 20, 2005. -- Amended 1992 Ky. Acts ch. 449, sec. 7, effective April 13, 1992. -- Amended 1988 Ky. Acts ch. 303, sec. 12, effective July 15, 1988. -- Amended 1980 Ky. Acts ch. 317, sec. 6, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 384, sec.

265, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(1); and ch. 326, sec. 7. -- Amended 1960 Ky. Acts ch. 186, Art I, sec. 22. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 8. -- Amended 1942 Ky. Acts ch. 131, secs. 19 and 32. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4119, 4120, 4124, 4125, 4126.

Formerly codified as KRS 133.050 and 133.190(2).

133.220 Tax bill forms -- Attestation of bills -- Duties of sheriff or collector -- Treatment of undeliverable notices.

- (1) The department annually shall furnish to each county clerk tax bill forms designed for adequate accounting control sufficient to cover the taxable property on the rolls.
- (2) After receiving the forms, the county clerk shall prepare for the use of the sheriff or collector a correct tax bill for each taxpayer in the county whose property has been assessed and whose valuation is included in the certification provided in KRS 133.180. If the bills are bound, the cost of binding shall be paid out of the county levy. Each tax bill shall show the rate of tax upon each one hundred dollars (\$100) worth of property for state, county, and school purposes; the name of the taxpayer and his or her mailing address; the number of acres of farm land and its value; the number of lots and their value; the amount and value of notes and money; the value of mixed personal property; the total amount of taxes due the state, county, school district, and any other taxing district for which the sheriff collects taxes; and shall include a statement that notifies the taxpayer that costs and fees increase substantially if the taxes become delinquent. Provision shall be made for the sheriff to have a stub, duplicate, or other proper evidence of receipt of payment of each tax bill.
- (3) Tax bills prepared in accordance with the certification of the department shall be delivered to the sheriff or collector by the county clerk before September 15 of each year. The clerk shall take a receipt showing the number of tax bills and the total amount of tax due each taxing district as shown upon the tax bills. The receipt shall be signed and acknowledged by the sheriff or collector before the county clerk, filed with the county judge/executive, and recorded in the order book of the county judge/executive in the manner required by law for recording the official bond of the sheriff.
- (4) Upon delivery to him or her of the tax bills, the sheriff or collector shall mail a notice to each taxpayer, showing the total amount of taxes due the state, county, school district, and any other taxing district for which the sheriff collects taxes, the date on which the taxes are due, and any discount to which the taxpayer may be entitled upon payment of the taxes prior to a designated date. The sheriff shall not mail tax notices prior to September 15.
- (5) All notices returned as undeliverable shall be submitted no later than the following work day to the property valuation administrator. The property valuation administrator shall correct inadequate or erroneous addresses if the information to do so is available and, if property has been transferred, shall determine the new owner and the current mailing address, or the in-care-of address reflected in the deed as required by KRS 382.135. The property valuation administrator shall return the corrected notices to the sheriff or collector on a daily basis as corrections are made, but no later than fifteen (15) days after receipt. Uncorrected notices shall be submitted to the department by the property valuation administrator.

Effective: January 1, 2010

History: Amended 2009 Ky. Acts ch. 10, sec. 44, effective January 1, 2010. -- Amended 2008 Ky. Acts ch. 143, sec. 2, effective August 1, 2008. -- Amended 2005 Ky. Acts ch. 85, sec. 242, effective June 20, 2005. -- Amended 1998 Ky. Acts ch. 209, sec. 2, effective March 30, 1998. -- Amended 1990 Ky. Acts

ch. 27, sec. 3, effective July 13, 1990. -- Amended 1978 Ky. Acts ch. 384, sec. 270, effective June 17, 1978. -- Amended 1964 Ky. Acts ch. 141, sec. 23. -- Amended 1962 Ky. Acts ch. 29, sec. 4. -- Amended 1960 Ky. Acts ch. 186, Art. I, sec. 23. -- Amended 1954 Ky. Acts ch. 92, sec. 1. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 11. -- Amended 1944 Ky. Acts ch. 2, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4128a-2, 4239a, 4239h, 4239i-I, 4239ii.

133.230 Preparation of omitted tax bills -- Delivery to sheriff.

Upon receipt of a certification of omitted property by the property valuation administrator or by the Department of Revenue, the county clerk shall make out for the use of the sheriff or collector a tax bill for each taxpayer who owes omitted taxes. The omitted tax bills shall be attested by the clerk in the same manner as the tax bills described in KRS 133.220. The clerk shall deliver the omitted tax bill to the sheriff or collector as soon as the omitted property has been finally assessed.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 85, sec. 244, effective June 20, 2005. -- Amended 1992 Ky. Acts ch. 338, sec. 15, effective July 14, 1992. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 12. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4239b.

133.240 Compensation of county clerk for making tax bills -- Payment.

- (1) The county clerk shall be allowed thirty cents (\$0.30) for calculating the state, county, and school tax and preparing a tax bill for each individual taxpayer for the sheriff or collector under the provisions of KRS 133.220, and one dollar (\$1) for each tax bill made in case of an omitted assessment.
- (2) The county clerk shall present his account to the fiscal court, verified by his affidavit, together with his receipt from the sheriff for the tax bills and his receipt from the Department of Revenue for the recapitulation sheets. If found correct, the court shall allow the account, and order one-half (1/2) of it paid out of the levy and the other one-half (1/2) out of the State Treasury. The county clerk shall certify the allowance to the Finance and Administration Cabinet, which shall draw a warrant on the State Treasurer in favor of the county clerk for the state's one-half (1/2).
- (3) The above county allowance shall likewise be paid to the county clerk for calculation of the state, county, city, consolidated local government, urban-county government, school, and special district tax for each individual motor vehicle taxpayer, based upon certification from the Department of Revenue of the number of accounts as of January 1 each year.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 85, sec. 245, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 346, sec. 169, effective July 15, 2002. -- Amended 1988 Ky. Acts ch. 113, sec. 9, effective December 31, 1988. -- Amended 1984 Ky. Acts ch. 54, sec. 6, effective January 1, 1985. -- Amended 1982 Ky. Acts ch. 264, sec. 15, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 84, sec. 24, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(1). -- Amended 1952 Ky. Acts ch. 203, sec. 2, effective June 19, 1952. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4126, 4239e.

134.015 Due dates -- Person responsible for payment -- Regular and alternative collection schedules -- Discounts.

- (1) All property taxes are due and payable on or before December 31 of the assessment year except as otherwise provided by law. Payment shall be made to the sheriff as provided in KRS 134.119 unless otherwise provided by law.
- (2)
 - (a) Any taxpayer who pays the property taxes in full by November 1 of the assessment year shall receive a two percent (2%) discount on the amount otherwise due.
 - (b) Taxes paid in full between November 2 and December 31 of the assessment year shall be paid at the amount reflected on the tax bill without discount or penalty.
 - (c) Taxes paid in full between January 1 and January 31 of the year following the assessment year shall be subject to a penalty of five percent (5%) of the taxes due and unpaid.
 - (d) Taxes paid after January 31 of the year following the assessment year shall be subject to a penalty of ten percent (10%) of the taxes due and unpaid.
- (3) If the regular collection schedule established by subsections (1) and (2) of this section is delayed, the department may establish an alternative collection schedule. Taxes shall be due two (2) full months from the date the tax bills are mailed. The alternative collection schedule shall allow a two percent (2%) discount for all tax bills paid in full within one (1) full month of the date the tax bills were mailed. Upon expiration of the discount period, the face amount reflected on the tax bill without discount or penalty shall be due for the next full month. Payments made within one (1) month following the face amount period shall be subject to a penalty of five percent (5%) of the taxes due and unpaid. Payments made after the five percent (5%) penalty period shall be subject to a penalty of ten percent (10%) of the taxes due and unpaid.
- (4) All taxes due under this section and all fees, penalties, and interest thereon are a personal debt of the taxpayer on the assessment date, from the time the tax becomes due until paid.
- (5) The lien that attaches to property on which taxes have become delinquent under KRS 134.420 shall continue as provided in KRS 134.420, from the time the taxes become delinquent until the taxes are paid or the eleven (11) year period established by KRS 134.420 expires, regardless of who owns the property.
- (6) A tax bill issued against omitted property, or an increase in valuation over that claimed by the taxpayer, as finally determined upon appeal as provided for in KRS 133.120, shall be due the day the bill is prepared and shall be considered delinquent on that date. If the tax bill is not paid within one (1) full month of the due date, an additional penalty of ten percent (10%) of the tax, fees, penalties, and interest due shall be added to the tax bill. The laws relating to delinquent taxes on the same class of property or taxpayers involved shall apply to delinquent omitted tax bills unless otherwise provided by law.

Effective: January 1, 2010

History: Created 2009 Ky. Acts ch. 10, sec. 2, effective January 1, 2010.

134.122 Transfer of certificates of delinquency by sheriff to clerk.

- (1)
 - (a) The sheriff shall, on April 15 or three (3) months and fifteen (15) days from the date the taxes were due under an alternative collection schedule, file all tax claims on real and personal property remaining in his or her possession with the county clerk, except that in a consolidated local government the sheriff shall have fourteen (14) working days from the required filing date to file the delinquent tax claims with the county clerk.
 - (b) The content of the information provided by the sheriff to the county clerk shall be determined by the department through the promulgation of an administrative regulation.
 - (c) The county clerk shall acknowledge receipt of the tax claims by providing the sheriff with a receipt in the format required by the department.
 - (d) If the sheriff fails to file the tax claims as required by this subsection, the sheriff shall be liable on his or her bond for the aggregate amount of the tax claims not filed with the clerk.
- (2)
 - (a) Upon filing with the county clerk, a real property tax claim shall become a certificate of delinquency and a personal property tax claim shall become a personal property certificate of delinquency, and the department, rather than the sheriff, shall be responsible for the collection of all amounts due in accordance with KRS 134.504.
 - (b) Certificates of delinquency and personal property certificates of delinquency filed with the county clerk are owned by the taxing jurisdictions whose taxes are included as part of the certificate of delinquency or personal property certificate of delinquency.
 - (c) The clerk shall accept payment for certificates of delinquency as provided in KRS 134.126 and 134.127.
 - (d) A certificate of delinquency or personal property certificate of delinquency shall include:
 1. The face amount of the tax due;
 2. The ten percent (10%) penalty as provided in KRS 134.015; and
 3. The sheriff's commission and the ten percent (10%) sheriff's add-on as provided in KRS 134.119.
 - (e) The certificate of delinquency or personal property certificate of delinquency shall be prima facie evidence that:
 1. The property represented by the certificate of delinquency or personal property certificate of delinquency was subject to the taxes levied thereon, and that the property was assessed as required by law;
 2. The tax claim was valid and correct in all respects; and
 3. The taxes were not paid any time before the establishment of the certificate of delinquency or personal property certificate of delinquency.
- (3) If, in the process of collecting property taxes, the county clerk becomes aware of a new address for a taxpayer, the county clerk shall provide, using a form provided by the department, the information relating to the new address to the

property valuation administrator, who shall update his or her records to reflect the new address.

Effective: April 23, 2012

History: Amended 2012 Ky. Acts ch. 161, sec. 2, effective April 23, 2012. -- Amended 2010 Ky. Acts ch. 75, sec. 4, effective April 7, 2010. -- Created 2009 Ky. Acts ch. 10, sec. 6, effective January 1, 2010.

134.125 Interest on certificates of delinquency.

- (1) A certificate of delinquency or personal property certificate of delinquency shall bear simple interest at twelve percent (12%) per annum. Interest shall initially be calculated based on the base amount established by KRS 134.122(2)(d). Interest shall be calculated in subsequent months on the outstanding balance of the base amount until paid. A fraction of a month shall be counted as an entire month.
- (2) If a certificate of delinquency is paid by a third-party purchaser, the amount paid by the third-party purchaser shall become the base amount upon which simple interest is initially calculated. Interest shall be calculated in subsequent months on the outstanding balance of the base amount until paid.

Effective: April 7, 2010

History: Amended 2010 Ky. Acts ch. 75, sec. 5, effective April 7, 2010. -- Created 2009 Ky. Acts ch. 10, sec. 7, effective January 1, 2010.

134.126 Duties of the clerk regarding certificates of delinquency -- Fees.

- (1) (a) The county clerk shall receive and record payments for all certificates of delinquency and personal property certificates of delinquency filed by the sheriff pursuant to KRS 134.122.
- (b) The county clerk may accept payment by any commercially acceptable means. The county clerk may limit the acceptable methods of payment to those that ensure that the payment cannot be reversed or nullified due to insufficient funds.
- (2) The county clerk shall give a receipt to the person making payment.
- (3) The county clerk shall report by the tenth day of each month to the department, the county treasurer, the sheriff, and the proper officials of the taxing districts. The governing body of a county may require the county clerk to report and pay on a more frequent basis if necessary for bonding requirements; however, the county clerk shall not be required to report and pay more frequently than weekly.
- (4) The county clerk shall allocate payments among the various entities entitled to a portion of the payment. The county clerk shall, at the time he or she makes the reports required by subsection (3) of this section:
 - (a) Pay to the department for deposit in the State Treasury all moneys received due the state;
 - (b) Pay to the county treasurer all moneys received due the county;
 - (c) Pay to the authorized officers of the taxing districts the amount due each taxing district; and
 - (d) Pay the amount of fees, costs, commissions, and penalties to the persons, agencies, or parties entitled thereto.
- (5) (a) Upon full payment of a certificate of delinquency or personal property certificate of delinquency owned by the state, county, and taxing districts, the county clerk shall note on the certificate the name and address of the person making the payment, the amount paid, and any other information the department may require. The clerk shall mark the certificate of delinquency or personal property certificate of delinquency paid in full.
- (b) If payment in full is made by a person other than the person primarily liable on the certificate, the person making the payment may request that the payment be treated as an assignment. Upon such request, the county clerk shall:
 1. Note the assignment on the certificate of delinquency or personal property certificate of delinquency;
 2. Record the encumbrance represented by the certificate of delinquency in the same manner as a notice of lis pendens; and
 3. Include as part of the encumbrance recording the information required by KRS 134.490(3)(e).For recording the assignment and encumbrance, the county clerk shall receive the fee provided in KRS 64.012.
- (c) If a person other than the person primarily liable on the certificate does not request the payment to be treated as an assignment, he or she shall

be treated in the same manner as the person primarily liable on the certificate, and any payment made pursuant to this subsection shall not constitute an assignment of the certificate. The payor shall not be subrogated to the lien of the state, county, and taxing districts as provided in subsection (8) of this section, and shall not be considered a third-party purchaser under the provisions of this chapter, or a transferee under KRS 134.121.

- (6) After the initial recording of an assignment of a certificate of delinquency or personal property certificate of delinquency as provided in subsection (5)(b) of this section, all subsequent actions relating to that certificate of delinquency or personal property certificate of delinquency, including assignments and releases shall be made in accordance with the general laws and procedures governing land records, except the additional information required by KRS 134.490(3)(e) shall be included. The applicable fees established by KRS 64.012 shall apply.
- (7) A certificate of delinquency or personal property certificate of delinquency shall be assignable. Failure of an assignee to record the assignment shall render the claim of such person to any real estate represented thereby inferior to the rights of other bona fide purchasers, payors, or creditors.
- (8) Any person other than the person primarily liable on a certificate who:
 - (a) Pays the certificate of delinquency in full, and who requests to the county clerk that the payment be treated as an assignment pursuant to subsection (5)(b) of this section; or
 - (b) Is the assignee of such a person, if the assignment has been recorded as required by this section or KRS 134.127;shall be subrogated to the lien priority of the state, county, and taxing districts as provided in KRS 134.420, and the amount due may be collectible as provided in KRS 134.546(2).
- (9) As compensation for collection of payments on certificates of delinquency, personal property certificates of delinquency, and other delinquent taxes, and the processing of delinquent property tax payments, the county clerk shall be paid ten percent (10%) of the amount due each taxing unit for each certificate of delinquency, personal property certificate of delinquency, or other delinquent tax claim. The fee shall be added to the amount of the tax claim and shall be paid by the person paying the tax claim.

Effective: April 23, 2012

History: Amended 2012 Ky. Acts ch. 161, sec. 11, effective April 23, 2012. -- Amended 2010 Ky. Acts ch. 75, sec. 15, effective April 7, 2010. -- Created 2009 Ky. Acts ch. 10, sec. 8, effective January 1, 2010.

134.127 Payment of amount due on certificate of delinquency to the clerk.

(1) (a) The following persons may pay to the county clerk at any time the total amount due on a certificate of delinquency or personal property certificate of delinquency that is owned by the taxing jurisdictions and in the possession of the county clerk. It shall be the responsibility of the person seeking to pay the county clerk to provide sufficient proof to the county clerk that he or she meets the requirements to pay under this paragraph. The county clerk shall be held harmless if he or she relies upon information provided and accepts payment from a person not qualified to pay under this paragraph. The county clerk may also accept partial payments from these persons:

1. The person primarily liable on the certificate of delinquency or personal property certificate of delinquency, or a person paying on behalf of the person primarily liable on the certificate, provided that a person paying on behalf of the person primarily liable on the certificate under this paragraph shall, notwithstanding the provisions of KRS 134.126(5), be treated in the same manner as the person primarily liable on the certificate and shall not be treated as an assignee or a transferee under the provisions of this chapter; and
2. The following persons may pay a certificate of delinquency or personal property certificate of delinquency that relates to the specific property in which he or she has an interest, other than a person whose only interest in the property is an interest resulting from a prior year certificate of delinquency:
 - a. Any person having a legal or equitable estate in real property subject to a certificate of delinquency;
 - b. A tenant or lawful occupant of real property, or a bailee or person in possession of any personal property; or
 - c. Any person having a mortgage on real property or a security interest in real or personal property.

Upon full payment of a certificate of delinquency under this subparagraph, KRS 134.126(5), (6), (7), and (8) shall apply regarding the rights and interests of the person making the payment.

(b) Any other person may pay the total amount due on a certificate of delinquency that is owned by the taxing jurisdictions and in the possession of the county clerk to the county clerk after ninety (90) days have passed from the filing of the tax claims with the county clerk in accordance with KRS 134.128.

(c) 1. Only the persons listed in paragraph (a) of this subsection may pay a personal property certificate of delinquency. Personal property certificates of delinquency shall not be included in any sale conducted under KRS 134.128, and may not be purchased by any third party not specifically listed in paragraph (a) of this subsection.

2. A certificate of delinquency on property of a public service company that is centrally assessed, and that includes personal property and real property on the same certificate of delinquency, shall be treated

for all purposes as a certificate of delinquency on real property.

- (2) The duties of the county clerk with regard to payment of a certificate of delinquency or personal property certificate of delinquency by a person other than the person primarily liable on the certificate, are set forth in KRS 134.126(5) and (6).
- (3)
 - (a) The delinquent taxpayer or any person having a legal or equitable estate in the property covered by a certificate of delinquency may, at any time, pay the total amount due to a third-party purchaser of a certificate of delinquency. The third-party purchaser may also accept payment from any other person at any time.
 - (b) When full payment for a certificate of delinquency is made to a third-party purchaser, the third-party purchaser shall execute a release of the lien in accordance with the provisions of KRS 382.365. The remedies included in KRS 382.365 shall apply if the third-party purchaser fails to release the lien as provided in KRS 382.365.
 - (c) Any person other than the person primarily liable on a certificate of delinquency who pays a certificate of delinquency to a third-party purchaser may, by paying a fee pursuant to KRS 64.012, have the county clerk record the payment, and the recordation shall constitute an assignment thereof, and KRS 134.126(6) and (8) shall apply. Failure of an assignee to record the assignment shall render the claim of such person to any real estate represented thereby inferior to the rights of other bona fide purchasers, payors, or creditors.
 - (d) If the third-party purchaser fails to release the lien in accordance with the provisions of KRS 382.365, or to surrender the certified copy of the certificate of delinquency to the person making full payment within thirty (30) days after payment has been tendered at the mailing address designated in the notice required by KRS 134.490 or the mailing address of record in the county clerk's office if no notice has been provided as required by KRS 134.490, the person making the payment shall have all of the remedies provided in KRS 382.365.
 - (e)
 1. A person entitled to make payment under this section who is having difficulty locating the third-party purchaser of the certificate of delinquency to make payment may send a registered letter addressed to the third-party purchaser of record at the address reflected in the most recent notice received from the third-party purchaser pursuant to KRS 134.490, or if no notice has been received, at the address reflected in the records of the county clerk, indicating a desire to make payment. If the letter is returned by mail unclaimed, or if the third-party purchaser fails to respond in writing within thirty (30) days, the sender may take to the county clerk as proof of mailing the certified mail receipts stamped by the post office showing that the certified letter was mailed to the correct address and the date it was mailed. If the letter was returned, the sender shall also provide the returned letter to the clerk. The sender shall attest under oath that the letter was mailed to the correct address, and if the letter was not returned, the attestation shall also provide

that the third-party purchaser did not respond in writing within thirty (30) days of the date the letter was mailed. The department shall develop attestation forms for distribution to the county clerks that include a notice that any false statement made in the attestation shall be punishable by law. The form shall be a public record under KRS 519.010(2), subject to KRS 519.060(1)(a). The clerks' taking of such testimony shall be an official proceeding under KRS 523.010(3).

2. Upon the acceptance of proof and attestation by the county clerk that the person has failed in his or her attempt to contact the third-party purchaser about making payment, the person may pay the full amount due as reflected in the records maintained by the county clerk plus applicable interest, and the county clerk shall make the necessary assignment or release of the certificate of delinquency. The county clerk shall also discharge any notice filed pursuant to KRS 382.440 or 382.450 as provided in KRS 382.470, except the county clerk shall prepare and record an in-house release executed by the county clerk along with the proof of payment, rather than requiring the signature or writing as required by KRS 382.470. The clerk shall receive a fee pursuant to KRS 64.012 for recording the release.
 3. The county clerk shall deposit the money paid in an escrow account for this specific purpose in a bank having its deposits insured with the Federal Deposit Insurance Corporation. The name of the bank in which the money is deposited shall be noted on the certificate of delinquency. The county clerk may maintain one (1) escrow account for all deposits made pursuant to this subparagraph and shall maintain a record reflecting the amount due each owner of a certificate of delinquency.
 4. The county clerk may deduct the sum of twenty dollars (\$20) as a fee for such service.
 5. The county clerk shall mail a copy of the certificate of delinquency by regular mail to the third-party purchaser of record at the address on the certificate of delinquency.
 6. If any county clerk fails to pay to the person entitled thereto, upon written demand clearly identified as a demand for payment, the money received in payment of a certificate of delinquency, the county clerk and the county clerk's sureties shall be liable for the amount of the payment and twenty percent (20%) interest thereon annually from the fifteenth day after the time the county clerk received the written demand until paid.
- (4) Copies of the records provided for in this section and KRS 134.126, when certified by the county clerk, shall be evidence of the facts stated in them in all the courts of this state.

Effective: April 23, 2012

History: Amended 2012 Ky. Acts ch. 161, sec. 3, effective April 23, 2012. -- Amended 2010 Ky. Acts ch. 75, sec. 6, effective April 7, 2010. -- Created 2009

134.128 Process for sale of certificate of delinquency by clerks to persons not listed in KRS 134.127(1)(a).

- (1) The sale of certificates of delinquency by county clerks to persons other than those listed in KRS 134.127(1)(a) shall be conducted in accordance with the provisions of this section.
- (2) The department shall promulgate administrative regulations to establish a process for the purchase and sale of certificates of delinquency to third parties. The process developed by the department shall:
 - (a)
 1. Establish an annual statewide schedule for the sale of certificates of delinquency in each county. The schedule shall be published on the department's Web site at least ten (10) days prior to the first sale. The sale in each county shall be administered by the county clerk.
 2. The sale in each county shall be scheduled at least ninety (90) days but not more than one hundred thirty-five (135) days after the unpaid tax claims are filed by the sheriff with the county clerk, unless the provisions of subparagraph 3. of this paragraph apply. The department may stagger the schedule so that sales are conducted on different dates and times in different counties.
 3. A county clerk who:
 - a. Due to the assessment schedule established by the department, anticipates receiving certificates of delinquency relating to unmined coal, oil or gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820 too late to be included in the annual sale scheduled during the timeframes established by subparagraph 2. of this paragraph; and
 - b. Wants to include those certificates in the annual sale for the year in which the certificates of delinquency are created;may submit a request to the department to hold the annual sale for that county up to one hundred ninety-five (195) days after the bulk of the unpaid tax claims are filed by the sheriff with the county clerk in accordance with KRS 134.122;
 - (b) Except as provided in KRS 134.127(1)(a), prohibit the payment of any newly filed certificates of delinquency by a third party prior to the scheduled annual sale of certificates of delinquency for that year for that county;
 - (c) Prohibit the payment of any certificates of delinquency:
 1. Involved in bankruptcy litigation in which the county attorney or department has filed a claim;
 2. Involved in other litigation initiated by the county attorney or the department, or in which the county attorney or department responds or files a claim;
 3. Under a payment plan that has been agreed to by the taxpayer and the

county attorney or the department, and on which the payment agreement is in good standing; or

4. Related to property included in a tax delinquency diversion program established pursuant to KRS 99.727;
- (d) Establish a process to be used by county clerks in determining the order in which interested third-party purchasers may select and pay available certificates of delinquency at the annual sale. The process shall, at a minimum:
1. Be uniform in all counties to the extent practicable;
 2. Establish a process, if there is more than one (1) purchaser registered to purchase certificates of delinquency at the sale, that allows all interested purchasers an opportunity to purchase certificates of delinquency on an equitable basis. The sale shall not be structured in such a manner to allow one (1) third party to purchase all of the certificates of delinquency if there are other properly registered third parties that are also interested in purchasing certificates of delinquency;
 3. Establish fairness for all participants by prohibiting the participation of multiple related entities, or multiple individuals representing related interests as separate entities in the selection process at an annual sale. The department shall define "related entities" and "related interests" as part of the regulatory process; and
 4. Establish a process to be used by county clerks in identifying, verifying, and selling priority certificates of delinquency. The process shall:
 - a. Require third-party purchasers to submit a list of priority certificates of delinquency to the county clerk up to ten (10) days before the annual sale so that the clerk may identify and allocate priority certificates of delinquency to third-party purchasers prior to the annual sale;
 - b. Require that all priority certificates of delinquency allocated to a third-party purchaser prior to the annual sale be removed from the annual sale;
 - c. Allow any third-party purchaser holding a certificate of delinquency on a parcel of property from a prior year to submit a priority list and purchase any priority certificates of delinquency to which the third-party purchaser is entitled, notwithstanding that the third-party purchaser may be related to another third-party purchaser participating in the sale; and
 - d. Give priority to the third-party purchaser holding a certificate of delinquency from the most recent tax year if more than one (1) third party holds an outstanding certificate of delinquency on a parcel of property;
- (e) Require all potential participants in the sale to register at least one (1) week in advance with the county clerk;

- (f) Require a review of the list of registered participants, either by the county clerk or the department, prior to the sale to ensure that:
 - 1. All registered participants seeking to pay multiple certificates of delinquency are properly registered with the department as required by KRS 134.129; and
 - 2. No registered participants or related entities or related interests prohibited from separate participation in the annual sale pursuant to the provisions of paragraph (d)3. of this subsection and the administrative regulations promulgated thereunder have separately registered to participate in the annual sale;
 - (g) Establish advance deposit requirements for registered participants based upon the maximum amount the registered participant may pay for desired certificates of delinquency;
 - (h) Establish a registration fee to be paid to the clerk. The registration fee paid to each county shall not exceed two hundred fifty dollars (\$250) annually and may be tiered;
 - (i) Establish payment requirements, which may include nullification of the payment and forfeiture of the advance deposit if a third-party purchaser fails to produce full payment within the specified time; and
 - (j) Establish payment methods.
- (3) Any person who, in any calendar year:
- (a) Pays or plans to pay more than five (5) certificates of delinquency statewide;
 - (b) Pays or plans to pay more than three (3) certificates of delinquency in any county; or
 - (c) Invests or plans to invest more than ten thousand dollars (\$10,000) in the payment of certificates of delinquency on a statewide basis in any calendar year;
- shall register with the department annually as provided in KRS 134.129.
- (4) The department shall be responsible for monitoring the sale of certificates of delinquency.
 - (5) (a) At least thirty (30) but not more than forty-five (45) days before the scheduled sale date, the county clerk shall cause a notice to be published in accordance with the provisions of KRS Chapter 424. The notice shall list by property owner, property address, and if available, parcel number or lot number, all certificates of delinquency available for sale. The notice shall provide the date, time, and location of the sale. In addition, the notice shall list, in a separate section, all personal property certificates of delinquency held by the county clerk.
 - (b) As compensation for advertising the sale, the county clerk shall receive five dollars (\$5) for each certificate of delinquency and personal property certificate of delinquency advertised. The fee shall be added to the amount of the certificate of delinquency or personal property certificate of delinquency

and shall be paid by the person paying the certificate of delinquency or personal property certificate of delinquency.

- (c) The cost of placing the advertisement shall be paid by the county. The cost shall be added to the amount of the certificate of delinquency or personal property certificate of delinquency and shall be paid by the person paying the certificate of delinquency or personal property certificate of delinquency. The department shall establish a formula that may be used by counties in allocating the advertising costs among the delinquent tax claims. The formula shall take into account that a percentage of delinquent tax claims remains unpaid.
- (6) Any certificate of delinquency not paid at the annual sale, not subject to a payment plan with the department or county attorney, and not known to be in litigation may be paid to the county clerk at any time by any person after the sale, provided that:
 - (a) Any person required by KRS 134.129 to register with the department shall hold a current certificate of registration at the time of purchase;
 - (b) Any person not previously registered with the county clerk during the calendar year shall register with the county clerk and shall pay the registration fee established by administrative regulation pursuant to subsection (2)(h) of this section; and
 - (c) Any person previously registered with the county clerk during the calendar year who has not paid the maximum registration fee for that year shall pay the appropriate amount for each certificate of delinquency paid, as established by administrative regulation pursuant to subsection (2)(h) of this section, until the maximum registration has been paid.
 - (7) Any certificate of delinquency received by the county clerk too late to be included in the annual sale in any year shall be retained by the clerk until the next scheduled annual sale. During that time period, the clerk may accept payment on the certificate of delinquency only from those individuals and entities listed in KRS 134.127(1)(a).

Effective: July 15, 2016

History: Amended 2016 Ky. Acts ch. 127, sec. 11, effective July 15, 2016. -- Amended 2012 Ky. Acts ch. 161, sec. 4, effective April 23, 2012. -- Amended 2010 Ky. Acts ch. 75, sec. 7, effective April 7, 2010. -- Created 2009 Ky. Acts ch. 10, sec. 10, effective January 1, 2010.

Legislative Research Commission Note (4/23/2012). The internal numbering of subsection (2)(a) of this statute has been modified by the Reviser of Statutes from the way it appeared in 2012 Ky. Acts ch. 161, sec. 4, under the authority of KRS 7.136(1). The words in the text were not changed.

Legislative Research Commission Note (1/1/2010). A reference to "paragraph (d)2." in subsection (2)(f)2. of this statute has been changed in codification to "paragraph (d)3." to correct a manifest oversight during the amendment process. House Committee Amendment 2 to House Bill 262, which became 2009 Ky. Acts ch. 10, inserted a new subparagraph 2. in subsection (2)(d) of this statute and renumbered the subsequent subparagraphs, but did not make the conforming change to the reference in subsection (2)(f)2. This manifest clerical or typographical error has been corrected by the Reviser of Statutes under the authority of KRS 7.136(1).

134.129 Registration for sale of certificates of delinquency with Department of Revenue.

- (1) Any person who, in any calendar year:
 - (a) Pays or plans to pay directly, indirectly, or through another or others, more than five (5) certificates of delinquency statewide;
 - (b) Pays or plans to pay directly, indirectly, or through another or others, more than three (3) certificates of delinquency in any county; or
 - (c) Invests or plans to invest directly, indirectly, or through another or others, more than ten thousand dollars (\$10,000) in the payment of certificates of delinquency on a statewide basis in any calendar year;shall register with the department annually.
- (2) The person shall hold a certificate of registration from the department prior to the payment of any certificate of delinquency that results in the person owning more than five (5) certificates of delinquency statewide, more than three (3) certificates of delinquency in any county, or investing more than ten thousand dollars (\$10,000) in the payment of certificates of delinquency statewide in a calendar year.
- (3) The department shall promulgate administrative regulations to establish registration requirements and an application process, which may include the imposition of an administrative fee to offset the cost of processing and reviewing the application.
- (4) As part of the application process, the department may require that the applicant and any of its directors, officers, members, and managers:
 - (a) Are current and in good standing on all taxes owed to the Commonwealth;
 - (b) Are in good standing with regard to operations under a previously issued certificate of registration;
 - (c) Have not previously operated without obtaining a certificate of registration under this section under circumstances where he or she should have registered; and
 - (d) Have a satisfactory record with the Office of Consumer Protection within the Office of the Attorney General. What constitutes a satisfactory record shall be determined by the department through the promulgation of an administrative regulation.Any applicant failing to meet one (1) or more of these requirements may be denied a certificate of registration.
- (5)
 - (a) The department may decline to issue a certificate of registration to any applicant who does not meet the requirements established by this chapter and the administrative regulations promulgated thereunder.
 - (b) The department may suspend or revoke a certificate of registration if the person holding the certificate violates the provisions of this chapter or the administrative regulations promulgated thereunder.

Effective: April 23, 2012

History: Amended 2012 Ky. Acts ch. 161, sec. 5, effective April 23, 2012. --
Created 2009 Ky. Acts ch. 10, sec. 11, effective January 1, 2010.

134.131 County clerk to annually provide department with list of certificates of delinquency received from sheriff -- Publication on department's Web site.

- (1) On or before May 15, 2013, and each May 15 thereafter, each county clerk shall provide or shall arrange to provide to the department a list of all certificates of delinquency received by the county clerk from the sheriff for that year, and that are in the possession of the clerk on the day the information is provided. The list shall include, at a minimum, the property owner name, property address, and parcel number or lot number if available. To the extent possible, the list shall be provided to the department in an electronic format.
- (2) On or before June 1, 2013, and on or before each June 1 thereafter, the department shall publish on its Internet Web site a consolidated list of certificates of delinquency by county. To the extent possible, within each county, the list shall be in alphabetical order by property owner name, and shall include at a minimum the property owner name, property address, and parcel number or lot number if available.
- (3) The information required by this section shall be provided by the county clerks and department as a public service. The department, the county clerk, and the employees thereof shall be held harmless regarding the content or any omission relating to information provided.
- (4) If the tax collection schedule is delayed in any county, that county shall provide the information required by subsection (1) of this section to the department within thirty (30) days of receipt from the sheriff, and the department shall publish the information on its Web site within fifteen (15) days of receipt from the county clerk.

Effective: April 23, 2012

History: Created 2012 Ky. Acts ch. 161, sec. 14, effective April 23, 2012.

134.420 Lien for taxes.

- (1) The state and each county, city, or other taxing district shall have a lien on the property assessed for taxes due them respectively for eleven (11) years following the date when the taxes become delinquent.
- (2) This lien shall not be defeated by gift, devise, sale, alienation, or any means except by sale to a bona fide purchaser, but no purchase of property made before final settlement for taxes for a particular assessment date has been made by the sheriff shall preclude the lien covering the taxes.
- (3) The lien shall include all interest, penalties, fees, commissions, charges, costs, attorney fees, and other expenses as provided by this chapter that have been incurred by reason of delinquency in payment of the tax claim certificate of delinquency, personal property certificate of delinquency, or in the process of collecting any of them, and shall have priority over any other obligation or liability for which the property is liable.
- (4) The lien of any city, county, or other taxing district shall be of equal rank with that of the state.
- (5) When any proceeding is instituted to enforce the lien provided in this subsection, it shall continue in force until the matter is judicially terminated.
- (6) Every city with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census shall file notice of the delinquent tax liens with the county clerk of any county or counties in which the taxpayer's business or residence is located, or in any county in which the taxpayer has an interest in property. The notice shall be recorded in the same manner as notices of lis pendens are filed, and the file shall be designated miscellaneous state and city delinquent and unpaid tax liens.

Effective: January 1, 2015

History: Amended 2014 Ky. Acts ch. 92, sec. 217, effective January 1, 2015. -- Amended 2009 Ky. Acts ch. 10, sec. 18, effective January 1, 2010. -- Amended 2007 Ky. Acts ch. 14, sec. 2, effective June 26, 2007. -- Amended 2005 Ky. Acts ch. 85, sec. 272, effective June 20, 2005. -- Amended 2004 Ky. Acts ch. 104, sec. 3, effective July 13, 2004. -- Amended 1998 Ky. Acts ch. 209, sec. 9, effective March 30, 1998. -- Amended 1996 Ky. Acts ch. 344, sec. 9, effective July 15, 1996. -- Amended 1990 Ky. Acts ch. 164, sec. 2, effective July 13, 1990; and repealed and reenacted ch. 476, Pt. V, sec. 349, effective July 13, 1990. -- Amended 1982 Ky. Acts ch. 238, sec. 6, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 84, sec. 3, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 319, sec. 1. -- Amended 1962 Ky. Acts ch. 210, sec. 22. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4021, 4257a-7.

Legislative Research Commission Note (7/13/90). The Act amending this section prevails over the repeal and reenactment in House Bill 940, Acts ch. 476, pursuant to Section 653(1) of Acts ch. 476.

134.452 Third-party purchaser of certificate of delinquency -- Fees -- Reasonable attorneys' litigation fees -- Collection limitations -- Notice to proper owner -- Legislative findings.

- (1) Notwithstanding any other provisions of this chapter, a third-party purchaser of a certificate of delinquency shall be entitled to collect only the following prelitigation fees:
 - (a) The amount actually paid for the certificate of delinquency;
 - (b) Interest as provided in KRS 134.125, calculated on the amount actually paid to the county clerk from the date the certificate of delinquency was purchased until paid; and
 - (c)
 1. Prelitigation attorneys' fees, which may include amounts incurred for collection efforts and costs related to notification, processing, research, communication, compliance, legal costs, documentation, and similar expenses, from the date the third-party purchaser purchases the certificate of delinquency from the county clerk, to the date on which the notice required by KRS 134.490(2) is mailed by the third-party purchaser.
 2. The amount that may be collected by the third-party purchaser as prelitigation attorneys' fees shall be subject to the following limitations:
 - a.
 - i. If the amount paid for a certificate of delinquency is between five dollars (\$5) and three hundred fifty dollars (\$350), actual reasonable fees incurred up to one hundred percent (100%) of the amount of the certificate of delinquency, not to exceed three hundred fifty dollars (\$350);
 - ii. If the amount paid for a certificate of delinquency is between three hundred fifty-one dollars (\$351) and seven hundred dollars (\$700), actual reasonable fees incurred up to eighty percent (80%) of the amount of the certificate of delinquency, not to exceed five hundred sixty dollars (\$560); and
 - iii. If the amount paid for a certificate of delinquency is above seven hundred one dollars (\$701), actual reasonable fees incurred up to seventy percent (70%) of the amount of the certificate of delinquency, not to exceed seven hundred dollars (\$700); and
 - b. If a third-party purchaser is the owner of more than one (1) certificate of delinquency against the same taxpayer, actual and reasonable prelitigation attorneys' fees for all certificates of delinquency against the same taxpayer shall not exceed one and one-half (1.5) times the maximum amount permitted in subdivision a. of this subparagraph for the largest tax bill owed by the taxpayer.
 3. The amounts allowed by subparagraph 2. of this paragraph shall not accrue to the account of the delinquent taxpayer, nor be charged by

the third-party purchaser against the delinquent taxpayer all at one (1) time unless the amount of certificate of delinquency is one hundred seventy-five dollars (\$175) or less. The third-party purchaser may accrue to the account of the delinquent taxpayer, and charge the delinquent taxpayer an amount equal to the lesser of prelitigation attorney's fees incurred by the third-party purchaser since the prior notice was sent or one hundred seventy-five dollars (\$175), for each notice sent to the delinquent taxpayer, provided that:

- a. The total aggregate amount of prelitigation attorneys' fees that may accrue to the account of the delinquent taxpayer and be charged by the third-party purchaser against the delinquent taxpayer shall not exceed the limitations established by subparagraph 2.a. of this paragraph; and
 - b. Additional fees shall not accrue to the account of the delinquent taxpayer or be charged by the third-party purchaser against the delinquent taxpayer more frequently than every ninety (90) days, regardless of how many notices the third-party purchaser may send.
- (2) If the delinquent taxpayer and the third-party purchaser enter into a payment agreement, the third-party purchaser may collect the installment payment processing fee authorized by KRS 134.490(5).
- (3) (a) In addition to the fees established by subsections (1), (2), and (4) of this section, a third-party purchaser may collect actual, reasonable attorneys' fees and costs that arise due to the prosecution of collection remedies or the protection of a certificate of delinquency that is involved in litigation. Fees and costs permitted under this subsection include fees and costs incurred from the first day after the notice required by KRS 134.490(2) is sent through the day any litigation is finally concluded.
- (b) For purposes of this subsection:
1. Actual attorneys' litigation fees up to two thousand dollars (\$2,000) may be reasonable if the fees are based upon documented work performed at a rate commensurate with hourly rates customarily charged by private attorneys in that jurisdiction for similar services. A flat rate, without hours documented for work performed, may be reasonable if the flat fee is determined to be discounted from the usual and customary rates for comparable work; and
 2. Any attorneys' litigation fee in excess of two thousand dollars (\$2,000) shall be allowed if authorized by the court upon a finding that the third-party purchaser incurred actual attorneys' litigation fees in excess of two thousand dollars (\$2,000) and that those attorneys' litigation fees were warranted based upon the complexity of the issues presented in the litigation.
- (4) The third-party purchaser may collect administrative fees incurred for preparing, recording, and releasing an assignment of the certificate of delinquency in the county clerk's office, not to exceed one hundred fifteen dollars (\$115).

- (5) The General Assembly recognizes that third-party purchasers play an important role in the delinquent tax collection system, allowing taxing districts to receive needed funds on a timely basis. The General Assembly has carefully considered the fees and charges authorized by this section, and has determined that the amounts established are reasonable based on the costs of collection and fees and charges incurred in litigation.
- (6) A certificate of delinquency owned by a third-party purchaser shall be deemed a general intangible for the purposes of Article 9 of KRS Chapter 355.

Effective: June 29, 2017

History: Amended 2017 Ky. Acts ch. 177, sec. 4, effective June 29, 2017. -- Amended 2014 Ky. Acts ch. 71, sec. 6, effective July 15, 2014. -- Amended 2013 Ky. Acts ch. 103, sec. 4, effective June 25, 2013. -- Amended 2012 Ky. Acts ch. 161, sec. 13, effective April 23, 2012. -- Amended 2009 Ky. Acts ch. 10, sec. 14, effective January 1, 2010. -- Created 2007 Ky. Acts ch. 14, sec. 1, effective June 26, 2007.

Legislative Research Commission Note (4/23/2012). The internal numbering of subsection (1)(c) of this statute has been modified by the Reviser of Statutes from the way it appeared in 2012 Ky. Acts ch. 161, sec. 13, under the authority of KRS 7.136(1). The words in the text were not changed.

Legislative Research Commission Note (4/23/2012). 2012 Ky. Acts ch. 161, sec. 15, provides that this statute, as amended by 2012 Ky. Acts ch. 161, sec. 13, shall apply to certificates of delinquency purchased on or after the effective date of the Act, April 23, 2012.

134.490 Actions by owner of certificate of delinquency to collect or foreclose certificate -- Notice by third-party purchaser to taxpayer -- Installment payment plans.

- (1) The following notices shall be sent by a third-party purchaser to the delinquent taxpayer by first-class mail with proof of mailing, and shall include the information required by subsection (3)(d) of this section:
 - (a) Within fifty (50) days after the delivery of a certificate of delinquency by the clerk to a third-party purchaser, the third-party purchaser shall send a notice to the delinquent taxpayer informing the delinquent taxpayer that the certificate of delinquency has been purchased by the third-party purchaser; and
 - (b) At least annually thereafter, until the notice required by subsection (2) of this section is sent, the third-party purchaser shall send a notice to the delinquent taxpayer.
- (2) Anytime after the expiration of the one (1) year tolling period established by KRS 134.546, the third-party purchaser may institute an action to collect the amount due on a certificate of delinquency. At least forty-five (45) days before instituting a legal action, the third-party purchaser shall send to the taxpayer by first-class mail with proof of mailing, a notice informing the taxpayer that enforcement action will be taken. This notice shall also include the information required by subsection (3) of this section, and shall be in addition to any notice sent under subsection (1) of this section.
- (3)
 - (a)
 1. For certificates of delinquency for all property except property described in paragraph (b) of this subsection, third-party purchasers or their designees shall obtain from the office of the property valuation administrator of the county in which the real property is located the most recent address for the property owner.
 2. To obtain information from the office of the property valuation administrator, the third-party purchaser shall, at the option of the property valuation administrator, either:
 - a. Obtain information from an up-to-date public access list or Web site offered by the property valuation administrator; or
 - b. Submit a list of addresses, map identification numbers, or parcel numbers for which updated information is requested to the property valuation administrator, who shall update his or her records with regard to the properties for which information is requested and provide the updated information to the third-party purchaser within ten (10) days.
 3. For this service, the property valuation administrator may charge a fee not to exceed two dollars (\$2) for each address provided or obtained.
 4. Except as provided in paragraph (b) of this subsection, the third-party purchaser shall send the notices required by subsections (1) and (2) of this section to the address provided by the property valuation administrator. Unless the provisions of subparagraph 7. of this paragraph apply, the third-party purchaser shall not be required

to send a notice to any party other than the owner of record as provided by the property valuation administrator at the time the notice is sent.

5. If, due to insufficient staffing, the property valuation administrator is unable to provide the requested information to the third-party purchaser within ten (10) days of submission, the property valuation administrator shall immediately notify the third-party purchaser, and the third-party purchaser may send the notices required by subsections (1) and (2) of this section to the address reflected in the public records of the property valuation administrator.
 6. Any notices sent pursuant to information obtained under this paragraph that are returned as undeliverable shall be re-sent by first-class mail with proof of mailing addressed to the "Occupant" at the address of the property that is the subject of the certificate of delinquency. These notices shall be sent within twenty (20) days of receipt of the returned notice.
 7. If a third-party purchaser becomes aware of a more recent or more accurate address for a delinquent taxpayer that is different from the address reflected in the records of the property valuation administrator, the third-party purchaser shall send notices to the updated address in the manner required by this subsection, and shall notify the property valuation administrator of the updated address.
 8. If a third-party purchaser receives an address from the property valuation administrator during an address check after a first notice is sent and returned as undeliverable, and the address is the same as was originally provided, the third-party purchaser shall send the notice addressed to "Occupant" at the address of the property that is the subject of the certificate of delinquency.
- (b)
1. For certificates of delinquency relating to unmined coal, oil or gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820, third-party purchasers or their designees shall obtain from the department the most recent address for the property owner.
 2. To obtain information about a particular property, the third-party purchaser shall submit to the department a list of addresses, map identification numbers, parcel numbers, and any other information the department may require. The department shall:
 - a. Update its records with regard to the properties for which information is requested; and
 - b. Provide the updated information to the third-party purchaser within ten (10) business days.
 3. For this service, the department may charge a fee not to exceed two dollars (\$2) for each address provided.
 4. The third-party purchaser shall send the notices required by subsections (1) and (2) of this section relating to unmined coal, oil or

gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820 to the address provided by the department. Unless the provisions of subparagraph 5.f. of this paragraph apply, the third-party purchaser shall not be required to send a notice to any party other than the owner of record as provided by the department at the time the notice is sent.

5.
 - a. Any notice sent pursuant to subsections (1) and (2) of this section based on information obtained pursuant to this paragraph and returned as undeliverable shall be submitted to the department within ten (10) days of receipt of the returned notice.
 - b. The department shall attempt to obtain an updated address for the owner of the property subject to the certificate of delinquency from the individual or entity filing the property tax return for the property.
 - c. The individual or entity filing the property tax return shall provide an address of the property owner upon request of the department.
 - d. The department shall provide any updated address information to the third-party purchaser.
 - e. If updated information is provided, the notices shall be re-sent by first-class mail with proof of mailing to the updated address of the owner within ten (10) days of the receipt of the updated information from the department.
 - f. If a third-party purchaser becomes aware of a more recent or more accurate address for a delinquent taxpayer that is different from the address reflected in the records of the department, the third-party purchaser shall send notices to the updated address in the manner required by this subsection, and shall notify the department of the updated address.
- (c) The third-party purchaser shall maintain complete and accurate records of all notices sent pursuant to this section.
- (d) The notices required by this section shall include the following information:
 1. A statement that the certificate of delinquency is a lien of record against the property for which delinquent taxes are owed;
 2. A statement that the certificate bears interest at the rate provided in KRS 134.125;
 3. A statement that if the certificate is not paid, it will be subject to collection as provided by law, and that collection actions may include foreclosure. The notice required by subsection (2) of this section shall also include a statement of the intent to institute legal action to collect the amount due;
 4. A complete listing of the amount due, as of the date of the notice, broken down as follows:

- a. The purchase price of the certificate of delinquency;
 - b. Interest accrued subsequent to the purchase of the certificate of delinquency; and
 - c. Fees imposed by the third-party purchaser;
5. If the third-party purchaser is required to register with the department as provided in KRS 134.128(3), for certificates of delinquency purchased after June 1, 2012, a statement informing the taxpayer that upon written request and the payment of a processing fee, the third-party purchaser will offer a payment plan; and
 6. Information, in a format and with content as determined by the department, detailing the provisions of the law relating to third-party purchaser fees and charges.
- (e) In addition, the notice shall provide the following information to the taxpayer:
1. The legal name of the third-party purchaser;
 2. The third-party purchaser's physical address;
 3. The third-party purchaser's mailing address for payments, if different from the physical address; and
 4. The third-party purchaser's telephone number.

If the information required by this paragraph changes, the third-party purchaser shall, within thirty (30) days of the change becoming effective, send a notice to each taxpayer by first-class mail with proof of mailing with the corrected information. The third-party purchaser shall also update contact information included in the records of the county clerk within ten (10) days of the change becoming effective. Failure to send the original notice or any correction notices shall result in the suspension of the accrual of all interest and any fees incurred by the third-party purchaser after that date until proper notice is given as required by this subsection.

- (4) If a person entitled to pay a certificate of delinquency to a third-party purchaser makes payment on the certificate of delinquency to the county clerk under the conditions described in KRS 134.127(3)(d), the payment shall constitute payment in full, and no other amounts may be collected by the third-party purchaser from the person.
- (5)
 - (a) For certificates of delinquency purchased after June 1, 2012, at the written request of a delinquent taxpayer, a third-party purchaser required to register with the department as provided in KRS 134.128(3) shall provide a monthly installment payment plan to a taxpayer.
 - (b) The taxpayer and third-party purchaser shall sign an agreement detailing the terms of the installment payment plan.
 - (c) The third-party purchaser may impose a processing fee, not to exceed eight dollars (\$8) per month to offset the administrative cost of providing the payment plan. No other fees, charges, interest, or other amounts not expressly authorized by this chapter shall be charged, assessed, or collected by the third-party purchaser.

- (d) The existence of an agreement to provide a payment plan shall not impact the right of the third-party purchaser to pursue legal action if the delinquent taxpayer fails to follow the terms of the installment payment agreement.
 - (e) Upon default of a delinquent taxpayer:
 - 1. The third-party purchaser shall retain all amounts paid, which shall be applied to the outstanding balance due; and
 - 2. The third-party purchaser shall not be required to offer the delinquent taxpayer another opportunity for an installment payment plan.
 - (f) If a third-party purchaser who was required to offer payment plans pursuant to paragraph (a) of this subsection, subsequently does not purchase a sufficient number of certificates of delinquency to require registration with the department, the third-party purchaser shall continue to offer payment plans under the conditions established by this subsection for all delinquent taxpayers whose certificates of delinquency were purchased during a period in which the third-party purchaser was required to register with the department.
 - (g) A third-party purchaser who is not required to register with the department as provided in KRS 134.128(3), or who holds certificates of delinquency purchased prior to June 1, 2012, may voluntarily offer installment payment plans to delinquent taxpayers in accordance with the provisions of this subsection.
 - (h) The department may establish additional terms and conditions for installment payment plans in an administrative regulation.
- (6) Any person to whom a third-party purchaser transfers or assigns a certificate of delinquency shall be considered a third-party purchaser under this chapter.

Effective: April 23, 2012

History: Amended 2012 Ky. Acts ch. 161, sec. 6, effective April 23, 2012. -- Amended 2010 Ky. Acts ch. 75, sec. 8, effective April 7, 2010. -- Amended 2009 Ky. Acts ch. 10, sec. 15, effective January 1, 2010. -- Amended 2007 Ky. Acts ch. 14, sec. 5, effective June 26, 2007. -- Amended 1998 Ky. Acts ch. 209, sec. 15, effective March 30, 1998. -- Amended 1994 Ky. Acts ch. 65, sec. 5, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 27, sec. 11, effective July 13, 1990. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4149b-7.

134.551 Refund to purchaser of certificate of delinquency that is unenforceable or declared void -- Reassessment of property.

- (1) If a certificate of delinquency or personal property certificate of delinquency held by an individual is declared void by a court of competent jurisdiction because of the irregularity of taxing officers, the amount for which the certificate was issued shall be refunded by the state, county, and taxing districts on a pro rata basis. If a school district or county is unable to make the refund currently when requested, it shall be given preference from the next year's revenue. The application for refund must be made within one (1) year after the judgment. The property covered by the void certificate shall be assessed immediately as omitted property and the tax bill shall be payable as soon as prepared.
- (2) (a) If a certificate of delinquency held by a third-party purchaser who paid the certificate of delinquency to the county clerk:
 1. Is unenforceable because:
 - a. It is a duplicate certificate of delinquency;
 - b. The tax liability represented by the certificate of delinquency was satisfied prior to the purchase of the certificate of delinquency;
 - c. All or a portion of the certificate of delinquency is exonerated; or
 - d. The property to which the certificate of delinquency applies was not subject to taxes as a matter of law as certified by the property valuation administrator; or
 2. Should not have been sold because, on the date of the annual sale, the certificate of delinquency met the requirements for inclusion on the protected list pursuant to KRS 134.504(10) and it:
 - a. Was included on the protected list;
 - b. Was mistakenly left off the protected list; or
 - c. Became eligible for inclusion on the protected list between the date the protected list was submitted and the date of sale;the third-party purchaser may apply to the county clerk for a refund.
- (b) The application for refund filed with the county clerk shall include written proof that one (1) of the situations described in paragraph (a) of this subsection exists with regard to the certificate of delinquency for which a refund is sought.
- (c)
 1. Upon acceptance and approval of the application for refund, the county clerk shall approve a refund of the amount paid to the county clerk by the third-party purchaser in satisfaction of the certificate of delinquency. The refunded amount shall not include any filing fees paid by the third-party purchaser to the county clerk.
 2. Amounts refunded to the third-party purchaser shall be deducted from amounts in the hands of the county clerk due to the state, county, taxing districts, sheriff, county attorney, and the county clerk on a pro rata basis, if the county clerk has sufficient funds in his or

her hands to make the refund.

3. If the county clerk does not have sufficient funds to make the refund at the time the refund is approved, the county clerk may either:
 - a. Retain the approved refund claim in his or her office and make the refund payment as soon as he or she has sufficient funds in his or her hands to make the refund payment; or
 - b. Provide a signed letter to the person to whom payment is due, which includes the amount due from each taxing jurisdiction or fee office, and which directs each taxing jurisdiction or fee official to pay to the person the amount due and owing from that taxing jurisdiction or fee official as reflected in the letter.
 4. Upon the making of a refund to a third-party purchaser, the county clerk shall issue and file a release of the lien on the property assessed for taxes as provided in this subparagraph without charge to the third-party purchaser. The release shall be linked to the encumbrance in the county clerk's indexing system.
 - a. The department shall prepare a release form to be used by the county clerk when a refund is paid under this paragraph. The form shall include, at a minimum, the following:
 - i. The name and address of the taxpayer;
 - ii. The name and address of the third-party purchaser;
 - iii. The book and page number of the third-party purchaser's lis pendens filing;
 - iv. The property address;
 - v. The applicable tax year; and
 - vi. The map identification number or tax bill number.
 - b. The release form shall be signed by the government official responsible for making the correction.
 - c. In addition to the signed release form, information filed by the county clerk shall include a copy of the documentation provided by the government official and a copy of the refund check or letter of refund authorization issued to the third-party purchaser. The county clerk shall record and file this information without a fee.
 - d. The county clerk shall also make any necessary corrections to the tax records within the office of the county clerk.
 - e. The county clerk shall return the release document to the taxpayer and shall provide a copy of the release document to the third-party purchaser.
- (d) If the county clerk denies the application for refund, or the property valuation administrator fails to certify that property was not subject to taxes as a matter of law, the third-party purchaser may appeal the decision of the county clerk or the property valuation administrator to the Kentucky Claims Commission pursuant to KRS 49.220.

Effective: June 29, 2017

382.240 Delivery of recorded instruments -- Destruction of unclaimed instruments.

Each instrument that is recorded shall be delivered to the party entitled thereto. The county clerk shall require prepayment of postage and a three dollar (\$3) reimbursement for delivery of said instruments at the time they are left for record in his office. If the county clerk is unable to locate the parties entitled thereto, he shall retain the instruments for at least one (1) year. The clerk may then destroy the instruments.

Effective: January 1, 2020

History: Amended 2019 Ky. Acts ch. 86, sec. 44, effective January 1, 2020. -- Amended 1982 Ky. Acts ch. 323, sec. 1, effective July 15, 1982. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 519.

CONTACT INFORMATION FOR GENERAL PROPERTY TAX ISSUES

**Department of Revenue
Office of Property Valuation
P.O. Box 1727
Frankfort, KY 40602-1727**

Telephone: (502) 564-7179 – Tom Crawford

Email: tomcrawford@ky.gov

Telephone: (502) 564-7230 – Maurette Harris

Email: maurette.harris@ky.gov

CONTACT INFORMATION FOR BANKRUPTCY ISSUES

**Department of Revenue
Office of Processing and Enforcement
501 High Street
Frankfort, KY 40601-2103**

Telephone: (502) 564-4921 ext. 4440

Fax: (502) 564 7348

County Clerk Website:

www.revenue.ky.gov/clerknetwork/pages/default.aspx