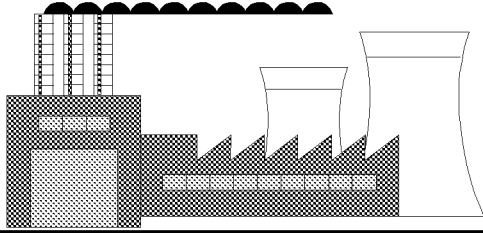


PROPERTY TAX NEWS



Vol. 11 No.3

July - September, 2001

2001 CONFERENCE AGENDA FINALIZED

Final preparations are being made for the 2001 Conference on Assessment Administration, being held November 26-30 at the Drawbridge Inn in Ft. Mitchell. Attendance by PVAs at the conference is mandatory under KRS 131.140 "unless prevented by illness or other reason satisfactory to the secretary."

Registration will begin Monday afternoon at 2:00 and will also be held Tuesday beginning at 9:30 a.m. The conference will officially begin at 10:00 Tuesday with a General Session followed by a luncheon at 11:45. Following the luncheon, roundtable discussions on various topics will be offered.

At least eleven workshop topics will be covered in eight sessions. The workshop titles are:

- IRB and Economic Incentives
- WWW and the PVA Office
- Rates, Ratios, and Discounted Cash Flows
- Modern Building Construction Technology and Materials
- Happy County Presents Tax Appeals 2001
- Open Records Requests - What Records Do I Have to Provide and How Much Do I Charge?
- Using Inmate Labor for Digitizing Parcels - The Pros and Cons (No Pun Intended)
- PVA Administrative Manual 2001
- Small Steps to GIS
- Working with the ADDs - Kentucky Area Development Districts
- Sexual Harassment in the Workplace

The conference will conclude Thursday evening with the traditional awards banquet and dance. Music for the dance

will be provided by Nervous Melvin and the Mistakes.

Registration materials have been mailed and should be returned as soon as possible, if you have not already done so.

Questions regarding the conference should be directed to the Education and Research Branch at 502-564-8340.



BUSHART NAMED PVA ASSOCIATION PRESIDENT

Karen Bushart, Clark County PVA, was elected President of the PVA Association during the Summer Conference held in Owensboro July 16-20. Ben Brown, Logan County PVA was elected Executive Vice-President and Bill Alward, Muhlenburg County PVA, was elected Legislative Vice-President. Janice Banister, Lyon County PVA, and Karen Curtis, Robertson County PVA, continue to serve as Secretary and Treasurer, respectively. Banister has served as Secretary since 1993 and Curtis has served as Treasurer since 1987.

The following PVAs were appointed to serve on committees:

- Legislative:
- Richard Embry, Butler County
 - Jason Chinn, Ohio County
 - Marian Davis, Laurel County
 - Denise Harper Angel, Jefferson County
 - Neila Monroe, Mercer County
 - Connie Crain, Fleming County
 - Ervine Allen, Breathitt County

Executive:

- Ann Riley, Marshall County
- Ron Durbin, Daviess County
- Michael Welsh, Metcalfe County
- Denise Harper Angel, Jefferson County
- Patsy Conway, Franklin County
- Betty Ripato, Lewis County
- Chuck Adkins, Boyd County

Bill Carter, Warren County PVA, was presented the Outstanding PVA award at the awards luncheon on Tuesday. James Wallace, Caldwell County PVA, was the recipient of the Gold Service Award. Outstanding Department of Property Valuation Employee was presented to Susan Bailey.

Next year's conference is scheduled to be held in Bowling Green at the University Plaza.



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EDUCATION COMMITTEE ADOPTS NEW NUMBERING SYSTEM FOR KENTUCKY COURSES

During the Education Committee’s recent meeting held at the summer conference, the committee voted to adopt a new numbering system for Kentucky Courses. This system regroups courses into general categories that reflect similar topics. These categories are compatible with the numbering system adopted by IAAO several years ago. The chart below explains the general categories of the new system:

| LEVEL | TOPIC AREA |
|-------|---------------------------------|
| 10 | Property Tax Policy |
| 20 | General and Specialty Appraisal |
| 30 | Mass Appraisal |
| 40 | Assessment Administration |
| 50 | Personal Property Assessment |
| 60 | Mapping and GIS |
| 70 | Commercial Property Assessment |
| 80 | Residential Property Assessment |
| 90 | Farm Property Assessment |

The education schedule for 2002 will reflect these changes. The chart below lists the courses that the Department will be offering next year and the new course numbers:

| Old Course Number | Course Title | New Course Number |
|-------------------|---|-------------------|
| 1 | The Kentucky Property Tax System | 10 |
| | Practical Math for Assessment Officials | 44 |
| 2 | Basic Personal Property | 50 |
| 4 | Mapping System Maintenance | 60 |
| | Precision Data Collection | 62 |
| 5 | Residential Real Property Appraisal | 80 |
| 6 | Farm Real Property Appraisal | 90 |
| 7 | Commercial Property Appraisal Income/Sales Comparison | 72 |
| 7A | Commercial Property Appraisal/Cost Approach | 71 |
| 8 | Assessment Administration | 40 |
| 9 | PVA Office Management | 49 |
| 10 | Introduction to Mass Appraisal | 30 |

The present course numbering system has been in effect since the inception of the education program in 1985. Courses were numbered sequentially, as they were developed, with no regard to content or purpose. Course numbers do not indicate content and there is no provision for additional courses. This new system provides for future expansion, as well as making course content easily recognizable.

During the rest of this year an intensive public relations campaign will take place to get everyone used to the idea. The Student Manual and other education materials will be updated to reflect these changes, and until everyone is familiar with the new numbering system, both numbers might be listed. **The content of the courses will remain the same, only the number will change!**

Designation requirements will remain unchanged and courses already completed will still count towards your designation. As new courses are developed, they will be phased into the designation requirements when applicable.

The education committee has also decided to return all classes to the previous schedule, starting on Monday afternoon and the examination on Thursday morning. The committee received many comments to go back to the old schedule and the results of a survey conducted earlier in the year show that most students prefer the previous schedule.

Work has begun on next year's education schedule. The results of the PVA Education survey have been compiled and are being used to determine when and where classes will be held next year. The schedule should be ready for distribution at the fall conference, along with the newly revised Student Manual. *(Continued on next page)*

EDUCATION COMMITTEE
(Continued from page 2)

The Education Committee has also implemented a new policy that no grades will be given out over the telephone. Students will receive a letter within a week informing them of their grade.

PVA HOURS UPDATE

Don't forget to send in your recertification form if you attended the IAAO Conference in Miami. Also, keep in mind that hours earned after November 30, 2001 will count toward 2002 and that the Conference is the last opportunity you will have to earn hours for this year.



ANDERSON COUNTY PVA
RETIRES

John Allen Perry, Anderson County PVA since 1970, retired August 31. Perry was honored with a surprise reception at the summer conference and with a reception in the fiscal courtroom of the Anderson County courthouse.

A special qualifying examination for candidates desiring to seek the office of PVA has been scheduled for October 6, 2001. This examination is open only to Anderson County residents.



LOGAN APPOINTED
DIRECTOR OF
TECHNICAL SUPPORT

Daniel Logan has been appointed to serve as Director of the Division of Technical Support. Logan holds a degree in Business Administration from Millsaps College in Mississippi. He was a staff assistant to Governor Patton in 1998 and served as Deputy Director in the Office of the Governor during 1999-2000. Just prior to joining the Revenue Cabinet, Logan was a marketer for Mountain Stone Products.



LONGTIME DEPARTMENT
EMPLOYEES RETIRE

Jan Bailey, acting Director of the Division of Technical Support, retired August 31ST after 24 years with Property Valuation. Bailey began her career in the cartography section, eventually serving as supervisor. She also served as Director of the Division of Local Valuation.

Betty Downey, a long time employee of the Division of Technical Support, also retired in August. Downey began her state career as a Mapping Technician in the Henry County PVA office and joined the Cabinet in 1982 as a cartographer.

Wanda Jean Sea, an employee in the Division of State Valuation, retired in August after 31 years with the Cabinet. Jean began working for Property Valuation in 1993 when the Tangible Personal Property Compliance Section (Freddie Freeroader) transferred to the Department.

Jan, Betty, and Jean were honored along with other cabinet retirees at a reception held at 200 Fair Oaks.



IN MEMORY OF ROBERT
ALLPHIN

Robert Allphin, who served two terms as commissioner of the Department of Revenue, died July 27, 2001. He was 81.

Allphin first served as commissioner from 1952 - 1955 after serving as supervisor of the Income Tax Section and director of the Division of Income Taxation. He started a law firm after serving his first term as commissioner. He again held the post from December 1979 until November 1981. Allphin is best known for his role in the historic Allphin v. Butler case in 1981.

Allphin is survived by his wife, Ann, four children, six grandchildren and a great-grandchild.



BUDGET CUTS AFFECT PVA
OFFICES AND REVENUE
CABINET

By now everyone has heard that the state is in a tight situation with the budget, and the question on everyone's mind is: how will the revenue shortfall affect me?

The Revenue Cabinet is taking immediate measures including curtailing travel, allowing only pre-approved overtime, and making every effort to cut back wherever possible. These measures also include the distribution of Property Tax News. Revenue Cabinet personnel will no longer receive a printed copy of Property Tax News. It is available on the Cabinet website and employees will receive a notice via e-mail informing them when it is posted on the webpage. Also, all readers with internet access are encouraged to read Property Tax News online. This will help reduce printing and postage costs, which are paid from state funds.

The current budget crunch that the state is experiencing is affecting the PVA offices as well. Until further notice, if a deputy leaves, the PVA cannot rehire anyone for 30 days. There is also a freeze on all reclassifications and promotions. Also, when a PVA is replacing a deputy, the Request for Personnel Action must document the name of the deputy that is being replaced. Deputies will no longer receive the 5% lump sum payment for achieving their CKA or SKA designation, and overtime is only allowed if the PVA Administrative Support Branch is notified and the money is sent in advance. Promotions, reclassifications, and deputy bonuses will be reinstated when the money becomes available.

When the budget is tight, it is tough on everyone. No one likes having to do without, but if we all do our part the Revenue Cabinet and the PVAs can get through this together.



**IAAO KENTUCKY
CHAPTER NOTES**

The Kentucky Chapter of IAAO has several activities planned during the Annual Conference on Assessment Administration in Ft. Mitchell. The chapter will have its annual meeting Monday, November 26, at 4:30 at the Drawbridge Inn in Canterbury Hall. The newly elected officers will be sworn in. The meeting will be followed by a reception and silent auction. All counties should bring an item for the auction.

The chapter's charitable project this year will benefit a local orphanage, the Diocesan Catholic Children's Home. Items needed include art supplies (crayons, construction paper, coloring books, etc.); small toys (dolls, action figures, stuffed animals, etc.) and activities such as puzzles, board games, playing cards, balls and jump ropes. Chapter members should watch the next edition of "Frontline" for more information regarding this important event.



**PVA ADMINISTRATIVE
SUPPORT BRANCH PILOTS
NEW PROGRAM**

The PVA Administrative Support Branch would like to encourage all counties to begin entering their time and attendance into the PTL system. At the present time, we have over 60 counties connected and approved by the Revenue Cabinet to begin this process immediately. The branch is in the planning stages of being able to process all annual increments in our office beginning January 1, 2002. **This means PVAs will no longer have to be responsible for preparing these.** Processing increments will be expedited by counties entering their time in PTL.

HEALTH INSURANCE UPDATE

Open enrollment has been extended until October 15, 2001 for people in Caldwell, Christian, Lyon, Spencer, Todd and Trigg Counties. Open enrollment ended September 28 for all other counties.

PROPERTY TAX COLLECTIONS REACH 2 BILLION

by Nick Kearney

The property tax in Kentucky is now a two billion dollar business, based on overall collections for 1999-2000. The property tax is the third leading source of revenue behind individual income (2.7 billion) and sales (2.2 billion) taxes. The latter two taxes are dedicated entirely to the state general fund, while \$387 million, or only 19.4 percent, of property tax receipts represent state general fund revenue. Over 80% of the property tax remains in the county of assessment to fund local government expenditures.

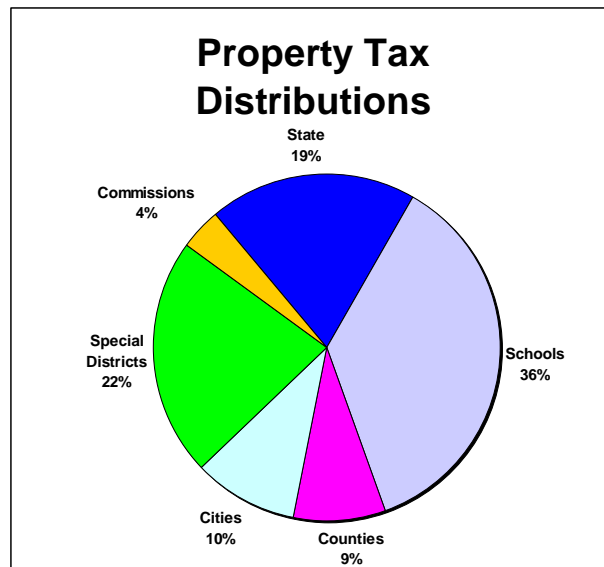
Sheriffs collected \$1.54 billion in property taxes during the 1999-2000 fiscal year, on behalf of the state, counties, schools and special taxing districts. From this effort they have received nearly \$66 million in commissions, a critical component of their funding for law enforcement and other operations. County clerks collected nearly \$240 million in motor vehicle property taxes, for which they received approximately \$10 million in commissions. Over \$200 million in additional property tax revenue was collected directly by the state and cities.

The largest proportion of the \$2 billion in property taxes is dedicated to

education. School districts received 36%, or \$722 million. Of this, \$634 million was received from sheriffs' collections and \$79 million from county clerks' collections. Special taxing districts received 22%, or \$488 million in property taxes, while the state received 19%, or \$387 million. Cities and counties received 10% and 9% respectively.

While property tax revenues continue to exhibit a slow but steady increase, the rate limitations imposed by House Bill 44 have greatly reduced their growth. Had the state real property tax rate remained at 31.5¢ per \$100, an additional \$230 million in property taxes would have been realized for the general fund in 2000. Over \$80 million in additional city and county property taxes would have been collected as well. Cumulatively, since the enactment of House Bill 44 in 1979, \$2.1 billion in state real property taxes has been saved by taxpayers as the rate has been reduced by 57%.

In these unsteady economic times, the property tax remains consistent while other tax receipts fluctuate. There is no more reliable means of funding essential services provided by local government than a tax on property.



**FROM THE
COMMISSIONER'S DESK**

by Vince Lang

I am using this column to offer my perspective of the recent "Attack on America". I am grateful that members of the Department and all PVAs and deputies were not in New York on that fateful day. We are fortunate.

The tragic terrorist attacks against our nation on September 11 shook our country and the world. These events have prompted TV and print journalists to declare that the world will never be the same again. This is true. However, environmental, political, and military events in the past also altered our world. Ice Ages, the Protestant Reformation, the American Revolutionary War, Hitler's mass extermination of the Jews and the detonation of the atomic bomb on Hiroshima are examples. The volcanic eruption of Mount Tambora in 1815 killed 90,000 Indonesian people with resulting particles in the atmosphere creating an almost year long winter of 1816 which drastically affected animal and plant life on earth.

What makes the tragic occurrences in New York and Washington different from these other historical events is that they happened with much of the nation and the world witnessing via television. We viewed these atrocities in our homes as they occurred. Most Americans never believed that something of this magnitude could ever happen. Because our mainland had not been attacked by enemy forces since the War of 1812, our nation awakened that Tuesday morning with the feeling of invulnerability. By midmorning, Americans' sense of security was shattered by the evil intentions and cruel actions delivered by Middle East terrorists. We then began to wonder if the next wave of terrorism could involve chemical, biological, or nuclear weapons of mass destruction.

Adolf Hitler and Osama bin Laden are names which will live in infamy. Their officers and followers have also been condemned for their deeds. On the other hand, many heroes emerge from the other side in the midst of war and acts of terror. John F. Kennedy's *Profiles in Courage* and Tom Brokaw's *The Greatest Generation* chronicle stories of some famous and not so familiar heroes throughout history. Books will be written about many of today's heroes that have surfaced from these tragic events. Firefighters and policemen, soldiers, political leaders and those daring passengers like Todd Beamer whose brave actions aboard United Flight 93 thwarted the hijackers' plans of mass destruction fall into the hero category.

Although the terrorists calculated and carried out three missions that destroyed thousands of lives, they failed to calculate the resiliency of the citizens of this republic and the almost universal support of the nations of the world. We Americans have demonstrated our sense of belonging to something larger than ourselves. The United States is a great democracy where hopes and dreams are fulfilled and freedoms guaranteed. The unity of our country makes us proud to be called Americans.

During one of the darkest days of the Civil War, Abraham Lincoln spent time telling humorous stories to members of his Cabinet. Some questioned how the President could tell jokes during such a somber time. His short reply was, "We must laugh so we don't cry". Americans have spent time grieving these past weeks and continue to pray for the families of the victims. We will rebuild our stricken cities and restore our sense of security. We will also rightly seek justice against those responsible for the September 11 attacks.

**NEW YORK REVENUE
DEPARTMENT HIT HARD
BY ATTACKS**

The New York Department of Revenue and Finance occupied 74,000 square feet on the 86th and 87th floors of the South Tower of the World Trade Center. In the aftermath of the terrorist attacks on September 11, 39 of the Department's 224 employees who had worked in the World Trade Center remain missing.



**OFFICES CLOSED FOR
HOLIDAYS**

Pursuant to KRS 18A.190, all state offices will be closed on the following days:

Monday, November 12, 2001, in observance of Veterans Day.

Thursday, November 22 and Friday, November 23, in observance of Thanksgiving.

Monday, December 24 and Tuesday, December 25, in observance of Christmas.



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

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

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|--------------------------------|----------|
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| Division of Technical Support: | |
| Daniel Logan, Director | 564-8334 |
| Division of State Valuation: | |
| Brenda Major, Director | 564-5807 |
| Division of Local Valuation: | |
| Tom Crawford, Director | 564-8338 |

Responsibilities:

| | |
|--|----------|
| Aerial Photography - Ron Johnson | 564-8334 |
| Centrally Assessed Property - Marsha Axon | 564-8175 |
| Computer Assisted Mass Appraisal - Susan Bailey | 564-8340 |
| Conference on Assessment Administration - Stacey Ewalt | 564-8340 |
| Delinquent Real Property - Jim Shelby | 564-4192 |
| Education and Certification Program - Stacey Ewalt | 564-8340 |
| Exempt Property - Tom Crawford | 564-8338 |
| Forms - | |
| Centrally Assessed Property - Mike Baker | 564-8175 |
| MOTAX - Cathy Fryman | 564-8180 |
| Personal Property - Deborah Barnes | 564-2557 |
| PVA/County Clerk - Dan Wiglesworth | 564-8338 |
| Unmined Minerals- Dave Gabbard | 564-8334 |
| Freddie Freeroader - Jessie Alexander | 564-8180 |
| Homestead/Disability - Tom Crawford or Dan Wiglesworth | 564-8338 |
| Map Sales/Cartography - Ron Johnson | 564-8334 |
| Mapping - Ron Johnson | 564-8334 |
| MOTAX - Paul Heightchew | 564-8180 |
| Personal Property - | |
| Field Audits - Melba Williams | 564-8168 |
| Intangibles - Edna Driskell | 564-9792 |
| Tangibles - Deborah Barnes | 564-2557 |
| Penalty Waiver Requests - Tom Crawford/Aaron Horner | 564-8338 |
| PVA Examinations - Stacey Ewalt | 564-8340 |
| Ratio Studies/Statistics - Susan Bailey | 564-8340 |
| Recapitulations - Dan Wiglesworth | 564-8338 |
| SACS System - Phil Yancey | 564-8338 |
| Sheriff Settlements - Pat Barlow | 564-8338 |
| Tax Appeals - Paul Jones | 564-8338 |
| Tax Roll Certification - Tom Crawford | 564-8338 |
| TRIM System - Greg Bell | 564-8338 |
| Unmined Minerals - Dave Gabbard | 564-8334 |