

Property Tax

NEWS

A REVENUE PUBLICATION FOR THE PROPERTY TAX PROFESSIONAL

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Railroad Revitalization and Regulatory Reform Rate Set

The Railroad Revitalization and Regulatory Reform (4-R) rate for intrastate railroad, railroad car line, airline and apportioned vehicle property has been set for 2004 at 24.03 cents per \$100 of valuation.

The local multiplier for intrastate railroads and airlines is 56 percent for 2004. The aggregate state and local rate for railroad carlines and apportioned vehicles is 70.03 cents per \$100 of assessed value. Taxes on railroad carlines and apportioned vehicles are paid to the Department of Revenue and local money is then distributed to the taxing jurisdictions.

Questions concerning the 4-R rate should be directed to the Public Service Branch at (502) 564-8175.

2005-2006 Homestead Exemption Set at \$29,400



The maximum homestead exemption (HEX) on real estate owned by qualified persons has been increased to \$29,400 for the 2005 and 2006 tax periods. The

amount of the homestead exemption is adjusted every two years in accordance with KRS 132.810 to compensate for changes in the purchasing power of the dollar. The 2005-2006 exemption represents a \$1,400 increase over the 2003-2004 exemption of \$28,000, and an increase of 350 percent over the original homestead exemption amount of \$6,500, which was first provided in 1971. During the same period, the state real property assessment base has increased more than ten-fold, from \$15 billion to \$169 billion.

The homestead exemption provides state and local property tax savings of approximately \$113 million to over 375,000 elderly or disabled Kentuckians during the 2005 tax year. Property owners who do not qualify for the homestead exemption absorb this amount through the compensating property tax rate process.

To qualify for the homestead exemption, a person must be at least 65 years old during the tax period or have been classified as totally disabled by any public or private retirement system. The property must also be owned, occupied and maintained by the taxpayer as a personal residence on the January 1 assessment date. Disabled persons less than 65 years of age must make an application on an annual basis.



General Assembly



Vol 15 No. 1

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February 2005

Kentucky General Assembly Returns to Frankfort

The Kentucky General Assembly convened January 4-7 for the beginning of the 2005 Legislative Session. Since this is an odd-year session, the legislature conducted a brief organizational meeting before adjourning until February 1, at which time it resumed its daily meetings until March 7. A two-day veto override period is scheduled for March 21-22, at which time the 30 day session concludes, sine die.

A high priority for the legislature will be some unfinished business from the 2004 session, including a budget for the 2004-2006 biennium. Tax modernization will continue to be part of Gov. Fletcher's agenda. As the 2004 session ended last April, two property tax components remained as part of the tax modernization plan: elimination of most intangible personal property taxes; and an adjustment of the calculation method for the state real property tax rate to exclude new property, similar to local property tax rate calculation methods.

At the conclusion of the four-day organizational meeting, 156 bills had been filed in the House of Representatives and 62 bills had been filed in the Senate. Of these, two bills from each house would have an impact on property taxation. HB 4 filed by Rep. Arnold Simpson of Covington, deals with delinquent property taxes. This proposal would require the county attorneys' 13 percent fee plus 10 percent penalty to be applied upon the filing of a cross-claim by the county attorney. HB 138, filed by Rep. Jon Draud of Edgewood, contains a number of tax-related provisions including the repeal of the state

portion of the motor vehicle property tax. SB 13, filed by Sen. Ernie Harris of Crestwood, would make changes in the procedures for recall provisions under the "House Bill 44" mandate. And SB 55, filed by Sen. Elizabeth Tori of Radcliff, would attempt to clear up some inconsistencies in delinquent property tax procedures.

If past sessions are any indication, these are just the first of many property tax bills to be filed for the 2005 session. **Property Tax News** will have a summary of the impact of this session on property tax administration in April 2005.

Property Tax News is a quarterly publication printed on recycled paper, the cost of which is paid from state funds. Comments, suggestions and mailing list additions or corrections should be addressed to the Office of Public Information, Finance Secretary's Office, Frankfort, Kentucky (502) 564-4240.

ERNIE FLETCHER, Governor

**ROBBIE RUDOLPH, Secretary
Finance and Administration Cabinet**

**MARK TREESH, Commissioner
Department of Revenue**

**Editor Jill Midkiff
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The Department of Revenue can be found at www.revenue.ky.gov.

Gov. Ernie Fletcher speaks to PVAs at fall conference

Kentucky Gov. Ernie Fletcher delivered the keynote address at the opening general session of the 86th annual Conference on Assessment Administration held November 15-17 in Covington. Gov. Fletcher surprised attendees by closing his presentation with an Acclamation for the Kentucky Chapter of the International Association of Assessing Officers (IAAO), which has won the coveted "Outstanding Chapter Award" for three of the past five years. After his speech the Governor remained to mingle with a large crowd of constituents.

Dr. Robert Stout, DVM, the Kentucky State Veterinarian, also addressed the conference at the opening general session on the subject of PVAs' participation in the National Animal Identification System. The general session was followed by four hours of workshops, with seven very diverse topics offered in three concurrent sessions: "Advanced GeoSync," "Geologic Hazards and their Effect on Property Value," "Medicaid Issues," "Meth Labs: Impact on Property Values," "MOTAX Matters," "Property Tax Assessment and Collection System (PTACS)" and "Tangible/Intangible Property."

On Tuesday, a series of five full-day workshops was offered, each covering seven hours of content. Four of these offerings were the new IAAO One-Day Forums, including "Valuation of Contaminated Property," "Restructuring Income and Expense Statements," "Marshall and Swift Residential Square Foot Method" and "Marshall and Swift Commercial Square Foot Method," with one full-day workshop offered by the Environmental Systems Research Institute (ESRI),



"ArcGIS for Assessors." The traditional awards banquet was held Tuesday night and seven people were presented with professional designations. The final conference event was a closing general session featuring Ron Crouch, director of the Kentucky State Data Center, with a very informative presentation on "Kentucky's New Housing Realities."

In an effort to improve future conferences, the Education and Research Branch e-mailed and/or faxed evaluation forms to all PVA offices to solicit the opinions and comments of all participants. The shorter, 2½-day format was deemed to be an improvement over the previous, longer format by a narrow margin. Overwhelmingly, attendees want the roundtable format, a staple of PVA conferences for the previous 10 years, to be reintroduced. These and other important issues will be addressed in the conference planning effort for 2005.

2005 CONFERENCE DATES SET

The following conference dates have been scheduled for 2005:

- ✓ The 2005 PVA Summer Conference will be held June 20-23 at the Hilton Garden Inn in Louisville.
- ✓ The Kentucky GIS Conference will be held at the University Plaza Holiday Inn in Bowling Green, August 22 - 25.
- ✓ The 2005 IAAO Conference will be held Sept. 18-21 in Anchorage, Alaska. For more information on this event, check the Web link at: <http://www.iaao.org>.
- ✓ The 2005 Conference on Assessment Administration will be held November 14-16 at the Galt House East in Louisville.

Mark your calendars now to attend these events. Specific information regarding conference activities will be released as it becomes available.

Conference NEWS

PVA Administrative Support Branch Office and Fall Conference Updates

By Karen Bond



◆ **EXTRA! EXTRA!** Read all about ...a few highlights from the PVA Administrative Support Branch and Informational Table at the Fall Conference.

◆ **OFFICE HOURS:** Effective Jan. 1, 2005, the PVA Administrative Support Branch office hours will be from 8:00 a.m. to 5:00 p.m. EST

◆ **2004-2005 PVA Office Budget:** All PVA Office Budgets must show a zero in the Unbudgeted Funds on the Anticipated Receipts page. If an amount is listed, an amended budget form must be completed as soon as possible. Please call if you have any questions.

- ◆ **Kentucky Retirement System (KRS) Employer Contribution Rate:** The KRS contribution rate for nonhazardous duty employees will remain at 5.89 percent for the Fiscal Year July 1, 2004 - June 30, 2005 and the employee contribution will remain at 5 percent.
- ◆ **Gov. Fletcher has approved changes for the entry grades.** Entry level positions will now begin at Grade 6 and co-op students at Grade 5. Grades 3 and 4 have been eliminated. Please make note of these new changes.
- ◆ **2005 Health Insurance:** Everyone is welcome to participate in the Mail Order for Prescriptions. Contact your 2005 health carrier directly for the "Mail Order RX Form". All carriers are participating in this service.
- ◆ **Under Construction—Office Manuals and Web site:** The office continues to communicate any updates, changes and/or new information as it becomes available, the PVA Fiscal and Personnel and New PVA Orientation Manuals are under construction and we hope to have the PVA Fiscal and Personnel manuals to PVAs by Spring of 2005.
- ◆ Our upcoming Web site and home page called, "PVA Information Links" found on the Finance and Administration Cabinet's home page under the Controller's Office/Division of Local Government Services will be available by the spring of 2005. It will contain forms, payroll mailings, etc., for downloading.
- ◆ **Office Vehicle Procedures:** PVAs with an office vehicle (or vehicles) are required to submit the PVA Office Vehicle Monthly Report, Employee Fringe Benefits each month, (regardless of whether the vehicle stays on the lot).
- ◆ **Fair Labor Standard Act (FLSA):** FLSA requirements must be completed for all new employees and submitted as a part of initial hiring paperwork.
- ◆ **Holiday Schedule:** If the county courthouse decides to deviate from the state Holidays, the branch must be notified in writing before January 2005.
- ◆ **Mail:** Any mail sent by overnight carriers (Fed Ex, UPS) must be sent to our street address, not the P.O. Box. All personnel forms must be sent directly to the PVA Administrative Support Branch.

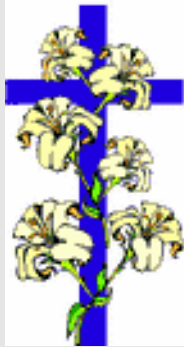
Overnight Address:

PVA Administrative Support Branch
200 Fair Oaks Lane, Station 12
Frankfort, KY 40602-1463

All forms:

PVA Administrative Support Branch
P.O. Box 1463
Frankfort, KY 40602

In Memory of Jose Bollar



Jose Bollar, former supervisor of the Mineral Assessment Branch, died Saturday, Dec.11, 2004, after a battle with cancer. He was 63. Jose began his career with Revenue in 1991, joining the Division of Technical Support as Mineral Assessor Supervisor. Jose also served as an instructor in the

department's education program, teaching IAAO 600 (cadastral mapping).

Jose, who was born in Cuba and immigrated to the United States in 1960, had an extensive background in mining and minerals, working at New Jersey Zinc Co., International Salt Co., and CSX Railroad before he joined the DOR. Until his death, he worked in the Division of Protest Resolution, where he had been since February 2001.

Our sympathies are with his wife, Lucille, and the rest of the Bollar family.

Personnel Changes Within the Department

Keith Tiemeyer has been appointed director of the Division of State Valuation within the Office of Property Valuation. Tiemeyer is from Danville and previously worked at American Greetings.

Jerry Hume has been appointed branch manager of the Northern Field Branch within the Division of Local Valuation. Hume brings many years of experience to the position, having served as a PVA in Monroe County and as a Property Assessment Coordinator in the Western Field Branch.

Randy Murray, former LaRue County PVA, has been appointed branch manager of the Mineral Assessment Compliance Branch within the Division of Minerals Taxation and GIS Services. Murray served as PVA in LaRue County from 1986-1993.

Bob Cox has been appointed branch manager of the Mineral Resource Valuation Branch within the Division of Minerals Taxation and GIS Services.

Election Update

Recently appointed Laurel County PVA **Joyce Garland** defeated Carl Keith Green and will complete the unexpired term of Marian Davis. Garland was appointed PVA by Gov. Fletcher in September to fill the vacancy created when Davis resigned to become Executive Director of the Office of Property Valuation.



Lawrence County has a new PVA as a result of the November 2 election. **Chris Rose** defeated incumbent Gray Maynard, who was appointed in December 2003 to fill the vacancy created by the death of Jim Heston. Rose taught math at Lawrence County High

School for the past 18½ years.

Linda Cockrell, appointed Montgomery County PVA in August, defeated Brenda Murphy and will complete the unexpired term created by the retirement of Jeff Garrison. Cockrell had been a deputy in the Montgomery County office for 19 years prior to her appointment.

In Woodford County, former Revenue Cabinet Secretary **Gary Gillis** defeated Jeff LaGrew and will complete the unexpired term created by the retirement of Jim Owen Gaines. Gillis, a Certified Public Accountant, recently resigned from the Public Service Commission.

Jefferson County PVA **Denise Harper Angel** made a successful bid for the State Senate, defeating Ron Burrell. The 35th district seat was previously held by David Karem, who announced his retirement at the end of this term. Harper Angel assumed her new office Jan.1, 2005. The PVA exam for this vacancy was given on Monday, January 31.

A Letter of Thanks from the Executive Director



Dear PVAs,

I want to thank each of you for your support in helping make my transition from PVA in Laurel County to Executive Director with the Department of Revenue in Frankfort relatively painless!

I am very honored and humbled to be able to serve in this capacity and your suggestions and kind remarks are greatly appreciated.

I think we can all agree that we had a very successful 2004 PVA conference in Covington and we certainly have had many positive comments about the format that was used. We want to hear your comments, so please keep us informed of your thoughts on the conference.

In closing, I hope each of you had a very Happy Holiday Season. And please, let us keep our military families, our state and our nation as well as each other in our prayers.

May God bless each of you in the year ahead!

Sincerely,
Marian

Counties have new e-mail addresses

Four counties have been added to the wide area network (WAN) and have new e-mail addresses.

The counties and the PVAs' e-mail addresses are:

Fulton: DebbieK.Ward@ky.gov
Knott: Ed.Slone@ky.gov
Monroe: LouisL.Carter@ky.gov
Spencer: JohnS.Crafton@ky.gov

The new Lawrence County PVA has also been added to the global address list; his e-mail address is ChrisA.Rose@ky.gov.

This brings the total to 101 counties connected to the WAN, with more scheduled to be completed soon. All of these PVAs, as well as every state employee and teacher in Kentucky, can be accessed alphabetically in Microsoft Outlook® through the Global Address List directory.

In an effort to reduce postage cost, the department is now electronically sending most correspondence. Remember (PVAs and deputies with e-mail) to check it regularly.

All of these changes have been made to the PVA Directory and the latest version is posted on the DOR's Web site (www.revenue.ky.gov).

Carlisle County PVA retires

Larry Scott, Carlisle County PVA since 1981, announced his retirement effective Dec. 31, 2004. Scott served two terms as PVA Association President and three terms as Legislative Vice-President during his 23 year career as PVA. He plans to enjoy his retirement by fishing, woodworking and spending the winters in Florida. The Office of Property Valuation wishes Larry the best of luck in his retirement.

New PVAs appointed in Jefferson and Carlisle Counties

Gov. Ernie Fletcher appointed John May as Property Valuation Administrator in Jefferson County. May was one of ten persons who passed a special examination administered by the department on January 31. May is a past president of the Greater Louisville Association of Realtors and also served several years on the Jefferson County Board of Tax Appeals. He will serve the remaining 23 months of former PVA Denise Harper Angel's term.

Gov. Fletcher appointed Crystal Mathis as PVA in Carlisle County on February 16. Mathis was one of six persons who passed a special examination administered by the Office of Property Valuation on January 31. She will serve the remaining 23 months of former PVA Larry Scott's term. Scott retired Dec.31, 2004.

American Life and Accident Insurance Company of Kentucky, Inc. v. Revenue Cabinet



In an opinion rendered on Oct. 15, 2004, the Court of Appeals has upheld the Department of Revenue's (DOR) denial of American Life's refund claims for taxes it had paid pursuant to KRS

136.320, which provides for the taxation of domestic life insurance companies. None of the refund claims were submitted within two years of the payment of the taxes whose refund was sought. American Life contended that all stock it owned should be excluded or deducted from its capital for purposes of arriving at the taxable capital taxed pursuant to KRS 136.320. The legal basis of its contention was the prior ruling of the Kentucky courts in the *St. Ledger* case that KRS 132.030(1) was unconstitutional under the U.S. Constitution's Commerce Clause. That statute exempted from the general intangible ad valorem property tax under KRS 132.020(1) all stock in corporations that paid Kentucky property taxes on at least 75 percent of their total property, wherever located. KRS 132.030(1) was incorporated by reference into KRS 136.320 via statutory language providing for an exclusion or deduction from capital for "exempt intangible personal property."

The Court of Appeals' opinion rules that KRS 134.590 was the refund statute that governed American Life's refund claims. KRS 134.590 applied because the tax imposed by KRS 136.320 was an ad valorem tax. The DOR also argued that this statute applied because the refund claims were based upon the unconstitutionality of a statute (KRS 136.030(1)), but the Court of Appeals found it unnecessary to address this argument: KRS 134.590 applies if either (1) the taxes whose refund is sought are ad valorem taxes or (2) the refund claims are based upon the invalidity of a statute.

Under KRS 134.590, American Life's refund claims were clearly untimely and properly denied by the department, the Court of Appeals held. American Life nevertheless contended that the amounts of the refund claims could be "equitably recouped" against future years' liabilities. It argued that Revenue Policy 42P010 allowed this sort of recoupment or credit against future years' taxes.

The Court of Appeals noted the DOR's argument that this policy was an individual income tax policy that by its terms did not apply, but ruled that case law was dispositive of the question. Under this case law, equitable recoupment applies only where the government has taxed a single transaction, item or taxable event twice under inconsistent theories. This circumstance was not present in this case.

This decision is not yet final. American Life has filed a petition for rehearing with the Court of Appeals.

Comcast Cablevision of the South v. Revenue Cabinet

On Nov. 10, 2004, the Kentucky Supreme Court denied Comcast Cablevision's motion for discretionary review. In this case, the Court of Appeals had ruled that the DOR properly valued the taxpayers operating property in making a public service corporation property tax assessment. The Court of Appeals rejected the taxpayer's argument that a portion of the value of this property could be carved out of and characterized as non-operating property. The DOR's assessment represented what a willing buyer would pay and a willing seller would accept for the operating property making up taxpayer's cable television system as of the relevant assessment dates. This operating property included both the taxpayer's tangible property and its franchise - i.e., the earning value ascribed to the taxpayer's capital by virtue of its operation as a cable television service provider. The taxpayer also did not report and did not identify any property that was not used in its cable television system and thus could be considered nonoperating property.

By virtue of the denial of the taxpayer's motion for discretionary review, the Court of Appeals decision is now final.

Pipefitters Joint Educational and Training Fund v. Revenue Cabinet

Also on Nov. 10, 2004, the Supreme Court denied the taxpayers motion for discretionary review in ***Pipefitters Joint Educational and Training Fund v. Revenue Cabinet***. In this case, the Court of Appeals had upheld the DOR's denial of the taxpayer's claim that it was exempt from property tax as an "institution of education not used or employed for gain by any person or corporation, and the income of which is devoted solely to the cause of education." The Court of Appeals ruled that the institution operated by the taxpayer was geared toward the pipefitters trade and primarily intended to promote union membership.

Thus, the taxpayer did not satisfy the requirements set forth by this state's highest court in ***Kesseling v. Bonnycastle Club***, 299 Ky. 585, 186 S.W.2d 402 (1945) that to be exempt as an educational institution, an organization must provide a benefit to the public and not be used or employed for gain and give systematic instruction in any or all of the useful branches of learning by methods common to schools and institutions of learning.

By virtue of the Supreme Court's denial of the taxpayer's motion for discretionary review, the decision of the Court of Appeals is now final.

Revenue Cabinet v. O'Daniel and Curtsinger v. Revenue Cabinet

On Jan. 20, 2005, the Kentucky Supreme Court rendered an opinion in the taxpayer's favor in this MOTAX case. The taxpayers had purchased motor vehicles in December, 1994, but not registered the vehicles until after Jan. 1, 1995, as they were allowed to do under KRS 186A.095.



The question was whether the taxpayers were liable for the 1995 ad valorem taxes on the vehicles. The Supreme Court rejected the department's argument that the taxpayers were liable for the 1995 ad valorem taxes because they were the vehicle owners as of the Jan.1, 1995, assessment date. The court ruled that the unambiguous language of the controlling statutory provisions (KRS 134.810(4) and 186.021(2)) placed liability for the ad valorem taxes on the vehicles upon the owner of record on January 1. In this case, the taxpayers did not register the motor vehicles in their names until after Jan. 1, 1995, and thus were not liable for the 1995 taxes.

The outcome reached in this case is different from or contrary to the usual rule applicable to property taxes. In addition, the ruling in this case is different from or contrary to the rule that presently governs the property tax on motor vehicles by virtue of legislation enacted in 2002 and applicable to assessments made after Jan.1, 2003. The Supreme Court held in this case that "[a]lthough the Legislature amended the statutes in 2002 to comport with the [Department of Revenue's] view that ownership for tax purposes occurs at the time of sale rather than at the time of registration, the amendment cannot be applied retroactively."

The Department did not petition the court for a rehearing; therefore, the Supreme Court's decision is final.

Education Program

Course Schedule

Education and Professional Designation Program 2005 Course Schedule

Date	Course	Facility	Location
April 11 - 13	Introduction to GeoSync	200 Fair Oaks	Frankfort
April 18 - 21	KY 71: Cost Approach	200 Fair Oaks	Frankfort
April 18 - 21	KY 10: Kentucky Property Tax System	200 Fair Oaks	Frankfort
April 25 - 28	KY 80: Residential Real Property Appraisal	Barren River St. Park	Glasgow
April 25 - 28	KY 62: Precision Data Collection	Jenny Wiley State Park	Prestonsburg
April 25 - 28	KY 44: Practical Math	Jenny Wiley State Park	Prestonsburg
May 9 - 11	Advanced GeoSync	200 Fair Oaks	Frankfort
June 6 - 9	KY 90: Farm Real Property Appraisal	200 Fair Oaks	Frankfort
June 6 - 10	IAAO 101: Fundamentals of Real Property Appraisal	Courtyard Marriott	Lexington
June 20 - 23	PVA Summer Conference	Hilton Garden Inn	Louisville
June 27 - July 1	IAAO 400: Assessment Adminis.	Executive Inn	Owensboro
July 11 - 13	Introduction to GeoSync	200 Fair Oaks	Frankfort
July 11 - 15	IAAO 500: Personal Property	Hampton Inn	Frankfort
July 18 - 21	KY 50: Basic Personal Property	200 Fair Oaks	Frankfort
July 18 - 21	KY 60: Mapping System Maintenance	200 Fair Oaks	Frankfort
Aug. 1 - 4	KY 62: Precision Data Collection	200 Fair Oaks	Frankfort
Aug. 1 - 4	KY 80: Residential Real Property Appraisal	200 Fair Oaks	Frankfort
Aug. 1 - 4	KY 49: PVA Office Management	Executive Inn	Owensboro
Aug. 1 - 4	KY 10: Kentucky Property Tax System	Executive Inn	Owensboro
Aug. 1 - 5	IAAO 102: Income Approach to Valuation	Hampton Inn	Frankfort
Aug. 8 - 10	Advanced GeoSync	200 Fair Oaks	Frankfort
Sept. 12 - 15	KY: 40: Property Tax Assessment Adminis.	200 Fair Oaks	Frankfort
Sept. 18 - 21	IAAO Conference		Anchorage, AL
Oct. 17 - 19	Introduction to GeoSync	200 Fair Oaks	Frankfort
Oct. 17 - 20	KY 72: Income/Market Approach	200 Fair Oaks	Frankfort
Oct. 17 - 20	KY 50: Basic Personal Property	Carter Caves State Park	Olive Hill
Oct. 24 - 27	KY 44: Practical Math	200 Fair Oaks	Frankfort
Oct. 24 - 27	KY 49: PVA Office Management	200 Fair Oaks	Frankfort
Oct. 24 - 28	IAAO 600: Cadastral Mapping	Hampton Inn	Frankfort
Nov. 14 - 16	Fall Conference	Galt House East	Louisville
Dec. 5 - 7	Advanced GeoSync	200 Fair Oaks	Frankfort

Facility Phone Numbers

Barren River State Park	800-325-0057
Carter Caves State Park	800-325-0059
Courtyard Marriott (Hamburg Place - Lexington)	859-977-2558
Executive Inn - Owensboro	270-926-8000
Hampton Inn - Frankfort	502-223-7600
Jenny Wiley State Park	800-325-0142

Course schedule...continued from page 9

A copy of the education schedule, along with registration forms, was included in your registration packet at fall conference. If you need additional copies, please contact the Education and Research Branch at 502-564-8340. Remember that registration is on a first-come, first-serve basis and students are not considered enrolled until payment is received.

Reminders:

To receive credit for training not sponsored by the Department or IAAO, PVAs must submit a "Request for Training Credit" form. This form is in the back of the student manual and must be submitted to the Education and Research Branch 14 days prior to the event. Students attending an event not sponsored by the Department must show proof of attendance (certificate or sign-in sheet) in order to receive credit.

The Introduction to GeoSync workshop scheduled for Jan. 10 - 12 in Frankfort is already full.

IAAO NOTES

Jeff Kelly, Webster County PVA, was installed as president during the 2004 annual meeting of the Kentucky Chapter of IAAO held November 15 during the Conference on Assessment Administration. Kelly was sworn in by international IAAO President Wayne Llewellyn, CAE, along with the other newly elected officers: Jeff Feese, vice president; Susan Bailey, secretary; and Mike Whitaker, treasurer. The following members of the executive committee were also sworn in: Perry Stokes, Todd County PVA; Mark McLean, Franklin County Deputy; and Cyndi Abrams of the PVA Administrative Support Branch. Ron Johnson of the Division of Mineral Taxation and GIS Services, was also elected to continue serving on the executive committee.

During the chapter meeting, Elaine Goad, Warren County PVA Deputy, was presented with the 2004 Member of the Year award. Nancy Bock, McCracken County PVA, past president of the Kentucky Chapter and chair of the membership committee, made the presentation to Goad. Bock cited Goad's willingness to assist in the chapter's activities, particularly during the recent PVA Summer Conference in Bowling Green, as qualifying her for most valuable member. Meade County PVA and former Kentucky Chapter President Mark Straney presented international President Wayne Llewellyn with a check for \$7,500. This amount represented the balance of a pledge for \$10,000 to the IAAO Building Fund, originally made during Straney's presidency in 2001. Thanks to the generous donations of chapter members, the 2004 community service project was a big success. A truckload of needed items was delivered to the Welcome House of Northern Kentucky after the conclusion of the conference on Wednesday. The silent auction held Monday night raised \$2,140, which will add to the chapter's scholarship fund, as well as applying toward the expenditure to the IAAO Building Fund.

State Offices Closed for Holidays

The following days have been designated by the Governor's Office as state holidays for 2005:

Friday, March 25

Monday, May 30

Monday, July 4

Monday, September 5

Friday, November 11

Thursday, November 24 and Friday, November 25

Friday, December 23 and Monday, December 26

Friday, December 30, and Monday, January 2

½ day in observance of Good Friday

Memorial Day

Independence Day

Labor Day

Veteran's Day

Thanksgiving

Christmas

New Year's

Q&A regarding PTACs

What is PTACs?

PTACs stands for Property Tax Assessment and Collection system. It is being designed by the Commonwealth Office of Technology (COT) to replace both the PVAs' Tax Roll Information Management (TRIM) System and the Sheriffs' Automated Collection system (SACs). PTACs will perform all the functions these systems currently perform, plus more.

What will PTACs do?

- PTACs is a property tax assessment administration and collection system.
- PTACs performs tax roll maintenance, queries and report generation for PVAs, and accounts receivable and report generation functions for Sheriffs.
- Many enhancements that have been requested in TRIM and SACs have been added to PTACs.
- PTACs data is compatible with other software utilized in property tax administration, such as geographic information systems and computer assisted mass appraisal systems.

How much will PTACs cost?

- PTACs, like TRIM and SACs, will be made available to any PVA or Sheriff who chooses to run it, **FREE**.
- Support will also be provided at **no cost** to users by the Office of Property Valuation.
- Since it is a Web-based system and will run on virtually any computer with Internet access, hardware will **cost less** for users.

Why is PTACs needed?

- Newer versions of Microsoft Windows (starting with Windows XP) will no longer support TRIM and SACs due to Microsoft discontinuing support for these types of text-based programs.
- TRIM and SACs are becoming more and more obsolete, as they are written in COBOL, a difficult programming language for which programmers are becoming very scarce.
- TRIM and SACs no longer meet the needs of their users, who have demanded additional functions.
- Newer computer technology may or may not support TRIM and SACs.

What Operating System does the user need to run PTACs?

To make PTACs less subject to the constant changes, it was developed without a specific operating system in mind. It will run on:

- Any version of Microsoft Windows
- Linux
- It will even run on a Mac!

Why have a Web-based system?

- COT, which oversees all state government computer systems, calls for the development of Web-based applications in the Information Technology Enterprise Architecture standards, with the requirement for users to have access to automated resources "any time and anywhere."
- The only avenue for accessing data "any time and anywhere" is the Internet, available to state government users through the Wide Area Network.
- Most major government and business applications have already been built under this model or will soon follow.

What are the benefits of PTACs?

- It is **cheaper, safer and easier**: PTACs will demand less money from already tight local budgets with free distribution to all users, free service and support, and less expensive hardware requirements.

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PTACs...continued from page 11

- **SAFER:** increased security, more restricted access, strict password protection, automatic backups, secure data storage and more consistent account management.
- **EASIER:** Changes to the program are made in one place, at one time. equipment setup and installation is quicker. One tax rate table serves all users. Submission of recaps and other reports is performed with a few clicks of the mouse. Certification of tax rolls occurs sooner, ratio studies are performed more quickly and responses to single and multi-county data requests are more efficient. Since it is a Web-based application that can be accessed from anywhere, “telecommuting” is enabled for PVAs and deputies that they approve for access.

How will the sheriffs benefit from PTACs?

- It will give them the ability to have multiple computers to pay tax bills.
- It will allow them to effortlessly transfer funds to the state.
- It will provide a no-cost option for them, a critical consideration to the sheriffs’ offices.
- It will allow them to easily report their collections to the state.
- Collection data will have usefulness beyond the scope of the normal collections cycle. The state will be able to utilize data in PTACs to find delinquent taxpayers that were formerly missed, or locate property of taxpayers delinquent in other taxes.

Will cities and other taxing districts be able to obtain tax rolls free of charge?

No. They may request tax roll information under the Open Records Act, as any citizen can under the current system, but they can be charged for this information.

Will PTACs affect the ability of PVAs to sell data?

Contrary to popular belief, PTACs should *enhance* the ability of PVAs to sell tax roll data. A common format will be available for all user counties, and for the first time, it will be available for multiple counties. This will be a great convenience for most of the major consumers of property tax data, including appraisal and mortgage companies, and ultimately will represent a tremendous marketing and economic development resource for the Commonwealth. Of course, all funds from the sale of data through PTACs will be distributed to the respective PVA offices.

Will the Department of Revenue be able to examine county tax rolls?

The Department of Revenue already has the statutory authority to examine any PVA’s tax roll at any time. Fortunately, the need to invoke this authority is very seldom exercised and never without cause.

When will PTACs be available?

- A pilot version of PTACs will be accessed by a few PVAs later this year.
- After the system is thoroughly tested, the implementation phase will begin with installation in the remaining TRIM counties.
- PTACs will eventually be available to every county.
- The collection module of PTACs will be available to sheriffs after the PVAs come on line.

Will the Office of Property Valuation continue to support TRIM and SACs?

- Unfortunately, after 20 years of reliable service to local officials and taxpayers, TRIM and SACs will ultimately cease to exist as these programs will be unnecessary and obsolete.
- The current versions of TRIM and SACs will be supported only until all of the users have been offered a chance to migrate to PTACs, although no deadline has yet been established.