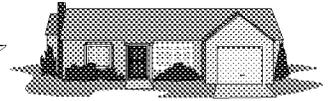
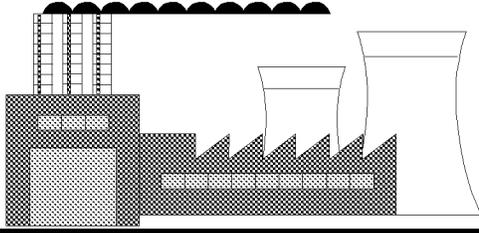


PROPERTY TAX NEWS



Vol. 13 No. 2

April - June, 2003

STATE REAL PROPERTY TAX RATE SET

The 2003 state real property tax rate has been set at 13.3 cents per \$100 of assessed valuation. Under House Bill 44, the rate must be reviewed each year and adjusted to ensure that no more than a 4 percent cumulative increase in revenues is realized over the previous year. Before enactment of House Bill 44 in 1979, the state rate was 31.5 cents per \$100 of assessed valuation.

The establishment of the 2003 tax rate will enable those counties certified by the Revenue Cabinet to proceed with tax bill preparation once the local rates are set.



CURTIS ELECTED PRESIDENT OF PVA ASSOCIATION

Karen Curtis, Robertson County PVA, was elected President of the PVA Association at their summer conference held June 2 - 6 at the Marriott in Covington. Connie Crain, Fleming County PVA, will assume the office of Treasurer, the position Karen had held since 1987. Janice Stokes, Lyon County PVA, will remain as Secretary. Also elected to serve as officers for the 2003-2004 year were Bill Alward, Muhlenberg County PVA, Executive Vice-President and Betty Ripato, Lewis County PVA, Legislative Vice-President.

The following PVAs were chosen to serve on committees:

Legislative Committee:

Ann Riley, Marshall County
Jason Chinn, Ohio County
Marian Davis, Laurel County
Denise Harper Angel, Jefferson County
Eddie Tamme, Boyle County
John Steele, Pendleton County
Ervin Allen, Breathitt County

Executive Committee:

Ronnie Heady, Crittenden County
Jim Shaw, LaRue County
Gina Watson, Cumberland County
Denise Harper Angel, Jefferson County
Patsy Conway, Franklin County
Jason Scriber, Henry County
Chuck Adkins, Boyd County

Teri Bennett, Hardin County, was voted Outstanding PVA and Neila Monroe, Mercer County PVA, won the Gold Service Award. Mike Whitaker, Franklin County Deputy, won Outstanding Deputy and Webster County was named Outstanding Assessment Jurisdiction. Dana Mayton, Revenue Cabinet Secretary, was named Outstanding Revenue Cabinet Employee.



OXENDINE WINS NOMINATION IN KNOX COUNTY

William Oxendine defeated Teresa Jewell in the May 20th primary to win the Democratic nomination for Property Valuation Administrator in Knox County. He will face Republican Amy Carnes Collins in the November general election.

KENTUCKY BOARD OF TAX APPEALS RULES IN ANSON STAMPING v. REVENUE

The Kentucky Board of Tax Appeals (KBTA) recently held that a taxpayer could not offset the amount of its accounts payable against the amount of its accounts receivable when listing the value of the accounts receivable on its intangible personal property tax return. *Anson Stamping Co., LLC v. Revenue Cabinet*, Order No. K-18944 (Ky. Bd. Tax App., June 20, 2003). In this case, the taxpayer claimed that because of the contractual relationship between the taxpayer and its supplier, the offset was needed to reflect the true fair cash value of the accounts receivable. The KBTA rejected this argument, holding that all reductions from the fair cash value for liens, encumbrances, or any other reason are prohibited. The KBTA concluded that "[r]educing the amount of an asset account by offsetting the amount of a liability account does not accurately reflect the fair cash value of the property any more than reducing a house's value by the amount of the mortgage would accurately reflect the value of the house." The taxpayer has until July 20, 2003, to appeal, otherwise this order will become final. Numerous taxpayers have taken a similar position on their intangible personal property tax returns by attempting to offset their accounts payable against their accounts receivable. The *Anson* decision makes it clear such a position is without merit and should help to resolve these pending protests.

FROM THE COMMISSIONER'S OFFICE

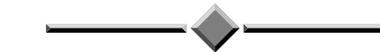
July and August are filled with typical summertime fun, but in the area of property tax administration, there is an additional important activity - the certification of each county's property tax roll. Assessment information from the property valuation administrator's office is the major part of the certification process, but data for real and tangible public service property, apportioned vehicles, oil and gas property, and unmined mineral assessments must also be obtained. Additionally, although a county's real property assessments may be finalized in late May or early June, many property valuation administrators need additional time to enter all of the tangible and intangible property tax returns that are filed in their office. For these reasons, the property tax roll certification process typically begins in the first half of July and continues full speed through mid to late August each year. In preparation for your county's 2003 certification, please be sure to check your tangible and intangible property totals and, if you notice large discrepancies, please review why it occurred. If the discrepancy was caused by a data entry error, it can be corrected before the tax roll is certified and an exoneration can be avoided. If you have any questions about your county's certification, please do not hesitate to contact Dan, Agnes, Pat, or myself.

I really enjoyed attending the Summer Conference last month. It was a well-run event with many informative and timely workshops. Congratulations to Karen Curtis, who is now the President of the PVA Association; Connie Crain, who has taken Karen's place as Treasurer of the Association, and to Betty Ripato, who is now the Legislative Vice-President. Congratulations also to Bill Alward, who is moving over to the Executive Vice-President position and to Janice Stokes, who will remain as your Association's Secretary. Finally, I would like to thank Karen Bushart for the tremendous job she has done as your Association's President for the past two years. She has worked tirelessly on behalf of the PVAs with legislators, Department officials, and

many others under some very tough budget circumstances to ensure that the PVAs were recognized for the important jobs you are doing and that you received your fair share of the very limited funds currently available. Well done Karen!!

Thanks again for all of the support I have received from you. I hope to see many of you at the upcoming GIS Conference in August, the IAAO Conference in September and, of course, our conference in October. Have a safe and fun-filled summer!

Tom



FROM THE PRESIDENT OF THE PVA ASSOCIATION

Hello all,

I hope everyone made it home safely from the Summer Conference in Northern Ky. Since this was my last time as the Summer Conference coordinator I also hope that each of you that attended had an enjoyable time and maybe learned something from the workshops as well. That is a part of my duties as treasurer that I will miss, however, I know that Connie Crain will bring new energy and ideas to make our conference even bigger and better.

I would also like to congratulate all the award winners for their accomplishments. They were each well deserved. It is always an honor to be recognized by your peers.

Finally, I would like to thank you for placing your trust in me by electing me President of this great organization. A special thanks to Denise Harper Angel for the eloquent nomination (even if Darrell did interrupt). I will do my utmost to represent you with the dignity that you deserve. It is said that a good leader surrounds himself (or herself, as in this case) with great people. How can I miss when I have 119 of the greatest people in the world surrounding me?

I am certain that I will be calling upon you in the months to come, as we prepare for the next session of the General Assembly, and you can always feel free to call upon me. Have a great summer.

Karen Curtis



NEWS FROM THE PVA ADMINISTRATIVE SUPPORT BRANCH

by Kim Holt

Due to the temporary lifting of the freeze on Education Awards, the PVA Administrative Support Branch approved and processed a total of 20 CKA and 21 SKA awards. We would like to encourage all deputies to continue to work toward these designations as the PVA Association Budget Committee is anticipating that this freeze will again be lifted next year at Summer Conference.

Also, the 60 day hiring freeze was lifted. It is very important that there be no vacancies on or after August 1, 2003. If anyone has any questions or concerns about their current level of staffing, please contact our office at 502-564-5620.

Open enrollment for health insurance is normally scheduled for mid September to early October. We are anticipating several changes for the upcoming year and will pass along more information as it becomes definite.

The office is currently working on revisions to the PVA Administration Manual and we hope to have these mailed out to the offices by July 15th.

All budget amendments for Fiscal Year 2002/2003 should be received in our office no later than July 15th.

Welcome to the new PVA Association officers, we look forward to working with the new leadership. Thanks to the outgoing officers, we appreciate your commitment and services afforded to the PVA Administrative Support Branch.



CONFERENCE UPDATES

2003 FALL CONFERENCE AGENDA BEING FINALIZED

Final preparations are being made for the 85th Conference on Assessment Administration, being held October 13-17 at the Hyatt Regency in Louisville. This year features several format changes in response to last year's conference survey.

Registration will begin Monday at 1:00 p.m. and an elective workshop will be offered on Monday afternoon for those PVAs wanting to earn additional hours. The traditional banquet will be held on Monday night instead of Thursday. Music at the dance will be provided by The Shining.

Tuesday will begin with a general session at 10:00 a.m., and roundtables will be held in the afternoon. Workshops will begin Wednesday morning and continue through Thursday afternoon.

Anyone eligible to receive a CKA or SKA designation at the fall conference should complete an application by September 30, 2003. If you need an application, contact the Education and Research Branch at 502-564-8340. Designations will be awarded at the banquet on Monday night.

Conference registration materials should be mailed out in mid-July, so please be sure to send them back in as soon as possible. Questions about the conference should be directed to Stacey Ewalt at 502-564-8340.



Happy 4th of July!

KENTUCKY GIS CONFERENCE 2003: LOUISVILLE, AUGUST 18-21

Kentucky's 10th GIS Conference is scheduled for August 18-21, at the Hyatt Regency Hotel in downtown Louisville, Kentucky. The 2003 conference theme is "10 Years of Discovery", which celebrates the conference 10th anniversary milestone, as well as the bicentennial year of the Lewis and Clark Corps of Discovery's departure from the Louisville area. Last year, nearly 70 PVAs, deputies, and Revenue Cabinet employees attended the GIS Conference.

This year's conference promises to be more informative than ever. Over 60 presentations are planned for the two day program, as well as several optional preconference and postconference workshops. The program will feature a great deal of diversity in topics at every level, from introductory to technical. Presenters from every level of government, as well as the private sector, will be speaking.

The keynote speaker will be James Holmberg of the Filson Association. Holmberg will present a slide presentation titled "Down the Ohio and into the Wilderness: The Story of the Lewis and Clark Expedition". Holmberg holds a BA in history and a MA in American history from the University of Louisville. He writes and lectures on the Lewis and Clark expedition.

Room rates at the Hyatt are \$89 and the deadline for reservations is July 18th. Make sure to tell the hotel you are with the conference.

More information about the conference, including online registration, can be found on the OGI website: <http://ogis.state.ky.us>. The conference is sponsored by the Office of Geographic Information and the Geographic Information Advisory Council (GIAC).



NASHVILLE MAGIC: 2003 IAAO CONFERENCE

Nashville Magic is the theme of IAAO's 69th annual International Conference on Assessment Administration being held Sept. 14-17th in Nashville. Everyone is encouraged to attend. This year's conference promises to offer a lot of opportunities for people who haven't attended in the past because of distance.

The IAAO Conference is packed with information valuable to anyone in the property tax assessment business. Whatever the need, it will be addressed in one of the workshops, which cover all of the latest assessment issues and the use of state-of-the-art technology. And, of course, the benefits of meeting assessors from around the country, who are faced with similar situations, offer a unique learning experience for the assessment professional. A list of workshop topics can be found on the IAAO website: www.iaao.org

The Kentucky Chapter of IAAO is hosting a membership appreciation party with the Tennessee Chapter of IAAO and the hosts of next year's IAAO Conference, the Boston Local Host Committee, Monday night at the Sheraton. All conference attendees are invited.



MORE CONFERENCE DATES

The 2003 Governor's Local Issues Conference will be held August 11 - 12 at the Galt House East in Louisville.

The 2003 Kentucky Association of Counties (KACO) conference will be held November 19 - 21 at the Hyatt Regency Hotel in Lexington.



KECC KICKOFF

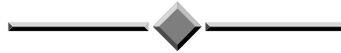
The 2003 Kentucky Employees Charitable Campaign (KECC) is fast approaching and will kick off Tuesday, August 5 at the Civic Center in Frankfort.

There will be many opportunities to support this very important endeavor, including payroll deductions and golf scrambles. Using the payroll deduction form is the best way to make a difference. Payroll deduction forms were distributed at summer conference. Please return completed forms to Stacey Ewalt at P.O. Box 1202.

Morgan County PVA Darrell Bradley has organized a softball game (PVAs and Deputies v. Revenue) for July 21 at 6:00 p.m. Anyone interested in playing should contact Darrell at 606-743-3349 by July 11. The cost is \$10 and all money raised goes to KECC.

The Revenue Golf Scramble will be August 8th at Duckers Lake Golf Course in Frankfort. The \$40 per person entry fee includes greens fee and cart. For more information contact Aaron Horner at 502-564-8334. There will also be a golf scramble at the Lincoln Homestead Golf Course on September 4. More

information will be released once the details are finalized.



EDUCATION NOTES

The 2004 education survey will be sent out in July. Please be sure to complete and return your survey as soon as possible. This survey determines where and how often each class is taught, so if you are interested in any specific classes, make sure you complete your survey.

TRIM TAX BILL WORKSHOPS

The TRIM staff will conduct one-day workshops for those counties printing tax bills using the TRIM system on August 5 - 8. Classes will be held in the 200 Fair Oaks Building, Training Room F. To register, complete a registration form and fax it to 502-564-8368 or mail it to P. O. Box 1202, Frankfort, KY 40602. Class space is limited to 20 counties per day.



IAAO NOTES

The Kentucky Chapter has a full schedule of activities planned for the next few months.

This year's IAAO Conference in Tennessee promises to be busy for chapter members. Two events chapter members will want to attend are Monday night's reception and the awards breakfast Tuesday morning. The chapter has submitted nominations for two awards, Outstanding Chapter and the Zangerle Award. The Kentucky chapter is joining forces with the Tennessee chapter (this year's conference hosts) and the Boston Local Host Committee (next year's host) to host a reception Monday night at the Sheraton.

Cookbook sales are going strong. Half the money raised will go toward the purchase of a big-screen TV for the Ronald McDonald House and the other half will go toward the Kentucky Chapter scholarship fund. We have placed an order for 2,500 more, so be patient if you don't have yours yet. The chapter will meet Wednesday, October 15, at 5:00 p.m. during Fall Conference, followed by a reception at 6:00 p.m. Watch Frontline for more details.

IAAO national members can now vote electronically for the IAAO election. Visit the IAAO website, www.iaao.org, for more information and to vote online. Voting is open until August 15, 2003. If you would like to request a paper ballot, call IAAO at 312-819-6109 and one will be mailed to you. All members should have received a letter informing them of this information, along with their member name and password, which you need to vote electronically. Don't forget Meade County PVA and former chapter president Mark Straney is running for a position on the Executive Board, so be sure to vote for Mark. The chapter also voted to endorse Rick Norejko for Executive Board Position #2. Norejko is a CMS from North Carolina and recently taught IAAO 601, Advanced Mapping, in Kentucky.



FOUR MORE COUNTIES NOW HAVE E-MAIL

Four counties have been added to the wide area network and now have e-mail. The counties and their e-mail addresses are:

- Adair: WillieM.Feese@mail.state.ky.us
- Breckinridge: DanaH.Bland@mail.state.ky.us
- Johnson: MichaelDip.Stafford@mail.state.ky.us
- Knox: WilliamS.Oxendine@mail.state.ky.us

We now have 92 counties with e-mail. In an effort to cut postage costs, the Department is sending correspondence electronically when possible. PVAs and deputies with e-mail should be sure to check it periodically.

Henderson County now has a website. The address is www.hendersoncopva.com.

Kenton County has a new telephone and fax number. The phone number is 859-392-1750 and the fax number is 859-392-1771.

The PVA directory has been updated to reflect these changes, as well as several others, and is on the Revenue Cabinet website. The directory will continue to be updated and a new version posted on the website every month. Please refer to the date at the bottom of the page to determine whether a page has been updated.

DON'T LET YOUR COMPUTER GET SICK... PROTECT AGAINST VIRUSES

Viruses, viruses and more viruses... Not a week goes by, it seems, that we don't get alerted to the fact that there is a new computer virus that has appeared and is causing concern for all of us who depend on our computers in our daily work. We need to heed these alerts and ensure that our computers are protected and that we take all precautions necessary to prevent infection from these viruses. Viruses have the potential to cause a great deal of damage, down time, lost data and interference with the day-to-day operation of our computers and offices. They can spread quickly and have far-reaching effects to others on our computer network as well. For this reason, we need to be reminded of a number of things to take into consideration to help provide the utmost protection against viruses, their infiltration into our computers, and their spread.

Every user in state government and those county offices with access to the Commonwealth of Kentucky computer equipment environment should be familiar with and abide by the Anti-Virus policies in effect. The current policy document is policy number CIO-073 and can be found at the state's anti-virus website maintained by the Governor's Office for Technology (GOT) at <http://www.state.ky.us/got/ois/security/antivirus.htm>. This document outlines the responsibilities, standards, and procedures regarding the security of all computing devices under the commonwealth's realm of coverage. The website also provides the latest virus alerts, anti-virus software updates and upgrades, a list of agency support personnel, and Internet links to the Network Associates website. Network Associates is the licensed source for the McAfee anti-virus software approved as the enterprise standard by GOT for virus protection. GOT just recently announced that the state's anti-virus defense agreement with McAfee of Network Associates was renewed and that local agencies are invited to participate. Current subscribers to McAfee Virusscan and Netshield can purchase the new license for \$14.92 per computer that is good for two years. The

contact number to reference when purchasing the new license updates is C-03172141. Interested agencies need to contact Brian Murawski, who is Kentucky's regional NAI McAfee representative. Listed below is the contact information:

Brian P. Murawski
McAfee Security
Network Associates, Inc.
5000 Headquarters Drive
Mail Stop 3N061
Plano, Texas 75024
Phone: 972-987-2183
Fax: 972-987-2021
E-mail: brian_murawski@nai.com
Website: <http://www.nai.com>

Users can take measures to protect their computers against viruses by making sure they have the latest DAT update in their anti-virus software, are running the latest virus scan engine for their operating system and using caution in opening files and downloading software, especially from unknown or suspicious sources. GOT's website provides weekly DAT file updates for users to download and install at <ftp://sunset.state.ky.us/pub/virus>. Most users are able to download and install the weekly updates, which come out each Thursday, by performing automatic update from the virus scan console on their computer. Keep in mind that each computer in the office needs to be updated and it is advised that they be done one at a time so as not to tie up the network. The DAT files contain the most current signatures and definitions for identifying viruses. Users can check to see that they have the most current DAT file by right clicking on their virus scan icon and clicking on the pop-up menu item, About. This will display the most current DAT file number (definition), the date it was created as well as the virus scan engine number, which should be the most current one (version 4.2.40). If the most current versions of the DAT file or the scan engine do not appear, the user should update or upgrade as soon as possible. For information regarding the scan engine

upgrade for both network station and server computers, users can find these instructions at the website set up by the TRIM branch at <http://kycounty.freesevers.com/virusscan/Instructions%20for%20Upgrading%20the%20Virus%20Scan%20Engine%20in%20windows%20.htm>.

The following tips concerning virus detection and prevention can be found at the Network Associates/McAfee site. They are being reproduced here as they provide very good and helpful instructions to users on how to protect their computers against viruses:

1. Do not open any files attached to an e-mail from an unknown, suspicious, or untrustworthy source.
2. Do not open any files attached to an e-mail unless you know what it is, even if it appears to come from someone you know. Some viruses can replicate themselves and spread through e-mail.
3. Do not open any files attached to an e-mail if the subject line is questionable or unexpected. If you need to do so, always save the file to your hard drive first.
4. Delete chain e-mails and junk e-mail. Do not forward or reply to any of them. These types of e-mail are considered spam, which is unsolicited, intrusive mail that clogs up the network.
5. Do not download files from strangers.
6. Exercise caution when downloading files from the Internet. Ensure that the source is a legitimate and reputable one. Verify that an anti-virus program checks the files on the download site. If you're uncertain, don't download the file at all or download the file to a floppy and test it with your own anti-virus software.

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VIRUSES

(continued from page 5)

- 7. Update your anti-virus software regularly. Over 500 viruses are discovered each month, so you'll want to be protected. These updates should be at the least the product's virus signature files. You may also need to update the product's scanning engine as well.
- 8. Back up your files on a regular basis. If a virus destroys your files, you can replace them with your back-up copy. You should store your backup copy in a separate location from your work files, one that is preferably not on your computer.
- 9. When in doubt, always err on the side of caution and do not open, download, or execute any files or e-mail attachments. Not executing is the more important of these caveats. Check with your product vendor for updates which include those for your operating system, web browser, and e-mail. One example is the security site section of Microsoft located at <http://www.microsoft.com/security>.
- 10. If you are in doubt about any potential virus situation you find yourself in, contact one of the support personnel for your agency or office for further help.



**PLOWING AHEAD:
GIS FOR THE
COMMONWEALTH**

by Aaron Horner

The Division of Technical Support has been actively assisting PVA offices with Geographic Information Systems (GIS). Currently, 71 counties have completed digitizing their county's parcels. In a few short years, the collaborative effort between the Department and PVAs has been a success. We look forward to completing the work ahead.

The Department is pursuing a collaborative effort with the Kentucky Infrastructure Authority to electronically post the commonwealth's tax districts on an Arc IMS site. This will enable Kentuckians to access tax jurisdiction information with the click of a button and will sum up all taxes applicable to that geography point in the commonwealth.

The Department would also like to thank the PVAs for their willingness to participate in our inventory study. At the beginning of the year, Commissioner Crawford asked the Cartography Branch to provide a status report on GIS. The division collected information regarding parcels, software, road-center lines, and GPS points, to name a few, so that the Department could inventory where we were and where we needed to go. This internal audit pleasantly surprised Commissioner Crawford, and gave him a comprehensive overview of GIS work completed.

For those who attended the annual PVA Summer Conference general session, the Commissioner promised that the Department would develop a Kentucky Course on GIS. We would like to solicit ideas from PVAs on what direction, scope, and instructional material this course should entail. Please forward any ideas and thoughts to Ron Johnson, Branch Manager of the cartography staff.

The Department, in conjunction with the Office of GIS, is pursuing a grant from the federal Office of Homeland Security to help PVAs complete their digital parcel layers. This is a realistic goal since the commonwealth is among the national leaders in statewide GIS implementation.

Finally, the partnership with Correctional Industries continues to be a huge success. Twenty-three counties have been completed by prison inmate labor at a tremendous saving to the PVAs. We encourage any PVA interested in digitizing their parcels to look into the continued cost savings that correctional industries provides.



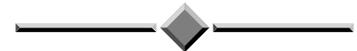
THREE FORMER PVAs PASS

Jesse R. Williams, Muhlenberg County PVA from 1973 - 1981, passed away Saturday, May 3, 2003. He was 61. Williams served as President of the PVA Association from 1980 - 1981.

Steve J. Banahan, Jr., former PVA in Fayette County, died Friday, May 30. He was 80 years old. Banahan was elected to the first of three terms as PVA in 1969 and was also a field representative for the Department of Revenue.

Randolph Brewer, former PVA in Owsley County, died June 10, 2003. He was 89. Brewer served as PVA in Owsley County from 1954 to 1981.

Our sympathies are with all the family members.



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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