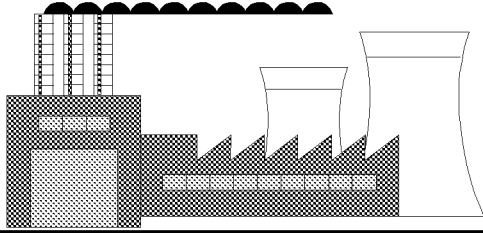


PROPERTY TAX NEWS



Vol. 13 No. 3

July - September, 2003

FALL CONFERENCE TIPS AND TIDBITS

Final preparations are being made for conference in Louisville and here are some tips and things you need to know to make your conference experience easier:

Parking

The parking garage attached to the Hyatt charges \$9.00 a day and they will add it to your room charge if you ask them when you check in. However, the Hyatt does not own this garage, but has told us hotel guests receive priority parking. If you get to the hotel and the parking garage has a sign that says garage full, please tell the attendant you are a hotel guest and they should find you a parking place. If they are unable to there are other parking lots located nearby.

Make sure you take your parking ticket in and let them scan it at the Hyatt registration desk. This will allow you to go in and out of the parking garage at no extra charge. Also, it will keep you from paying an extra parking fee when you depart.

Breakfast

We will offer a deluxe continental breakfast on Tuesday and Wednesday morning. Thursday we will have a continental breakfast and a luncheon.

Lunch

Lunch on Tuesday and Wednesday are on your own. In your conference packet will be a Hop and Shop brochure that will list restaurants and locations in downtown Louisville.

Other Notes

Monday's elective workshop, The Essentials of Great Customer Service, is being offered in response to PVA's request for the opportunity to earn more hours at conference. The room seats 125 and will be open to PVAs first.

Approximately 25 PVAs, deputies and Revenue Cabinet employees will be awarded their CKA and SKA designations at banquet Monday night. Extra banquet tickets are \$25.00 and will be available at the registration desk Monday afternoon. Music for the dance will be by *The Shining*.

COURT CASE UPDATES

In *American Life & Accident Insurance Co. v. Revenue Cabinet*, the Jefferson Circuit Court has upheld the Revenue Cabinet's denial of American Life's refund claims for taxes it had paid pursuant to KRS 136.320, which relates to domestic life insurance companies. None of the refund claims were submitted within two years of the payment of 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 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 tax under KRS 132.020(1) all stock in corporations that paid Kentucky property taxes on at least

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COURT CASE UPDATE

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75 percent of their total property, wherever located. KRS 136.030(1) was incorporated into KRS 136.020 via statutory language providing for an exclusion of deduction from capital for "exempt intangible personal property."

The circuit court decision holds that none of American Life's refund claims were timely under KRS 134.590, which provides a two-year time limitation for the filing of refund claims. KRS 134.590 applied to bar these refund claims because the taxes imposed or authorized by KRS 136.320 are ad valorem taxes. The court further noted that American Life's refund claims were based upon the same constitutional flaw found to exist in *St. Ledger*. The circuit court also rejected American Life's argument that it could use the doctrine of equitable recoupment to apply these refund claims against future year's tax liabilities.

The decision is not yet final. The taxpayer has appealed to the Kentucky Court of Appeals.

In *Anson Stamping Co., LLC v. Revenue Cabinet*, the Kentucky Board of Tax Appeals 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. The taxpayer did not file an appeal with the Circuit Court, so the decision is final.



EDUCATION COMMITTEE NEWS

The Education Committee continues to meet every two months in an effort to strengthen the education program. At the most recent meeting, held August 21 at the GIS Conference in Louisville, the committee recommended several changes.

Due to increased costs of holding classes, a new fee system for IAAO Courses was devised. Chapter members will now pay \$325 (up from \$300) and nonmembers will pay \$425 (up from \$325). This change was necessary if the Chapter is to continue providing quality education while supporting the scholarship program.

Recruitment of instructors continues to be a focus for the Education Committee. Several courses are in need of backup and lead instructors. Committee members have been contacting PVAs in order to determine if there is any interest in becoming instructors.

Two new GIS courses are under development. Subcommittees have been named and course outlines are due to be presented at the next Education Committee meeting. The courses will be KY Course 65, GIS in Assessment Administration, and KY Course 66, Parcel Maintenance in GIS. The latter course will be taught in a hands-on environment, the former in a demonstration style presentation.

Scholarship program rules were discussed, and it was reiterated that persons accepting scholarships for any course must attend the entire course and take the examination.

The Course Connections program was reviewed and a subcommittee, composed of Nick Kearney, Lee Martin and Janice Stokes, will develop a new interview format.

The Appeals Video project was reviewed, and the committee is seeking a new production company. Dip Stafford is investigating.

The feasibility of coordinating educational efforts with the Tennessee Chapter

was discussed, in light of the meeting in Nashville. Items proposed included instructor sharing, joint events and reciprocal member discounts. This proposal met with enthusiastic response when discussed at the joint meeting in Tennessee.

The annual education survey is complete and work has begun on the 2004 schedule of classes, which should be available for distribution at the fall PVA Conference in Louisville October 13 - 16. Visit the education program roundtable on October 14 for this information, as well as for 2004 scholarship applications.

PVAs are also reminded to turn in recertification forms from recent conferences (GIS, Governor's Local Issues Conference, or the IAAO conference). Hours earned after November 30, 2003 will count toward the training incentive for 2004, and hours earned before December 31, 2003 will count toward the 2003 expense allowance. All questions regarding the status of hours of education should be addressed to the Education and Research Branch at (502) 564-8340.

The next meeting of the Education Committee will be on October 13 in Louisville at 11:00 a.m. If you have any comments or concerns, please feel free to contact Neila Monroe, Chair, at (859) 734-6330, or via e-mail at NeilaL.Monroe@mail.state.ky.us.



BOYD LEAVES PROPERTY VALUATION

Debbie Boyd has left the Department of Property Valuation to pursue another career opportunity within the Revenue Cabinets' Training and Development Branch. Stacey Ewalt has performed the educational duties that Debbie does and has agreed to assume those duties again. Susan Bailey will be picking up the technological related duties that Debbie has performed for the Department.



HEALTH INSURANCE OPEN ENROLLMENT FOR 2004

By the time you receive this, open enrollment for health insurance and flexible spending accounts for PVAs and deputies will be over except the following counties: Boyd, Carter, Elliott, Greenup, Henderson, Lawrence and Union. These counties have until October 17, 2003, to make a decision. All applications from the seven counties listed above must be post-marked by October 17th.

Remember that if you are required to make a change in your health insurance for 2004 (i.e. your carrier is no longer available), and you fail to complete the necessary application, you will not have health insurance for 2004, and will not be allowed to enroll until the next open enrollment period, unless you have a qualifying event that would allow you to enroll.

Also, if you and your spouse cross reference insurance, you are no longer required to complete two separate applications. Both spouses sign one application and each is responsible for having his/her insurance coordinator sign the application, so you need to complete your application as soon as possible so that we have time to get the application back to you for your spouse's insurance coordinator to sign. **If the applications are not received by the deadline, you will not have insurance coverage for 2004. Please flag these applications so that we can get them processed immediately and returned to you so that your spouse can get the application to his/her insurance coordinator.**

Questions regarding insurance can be directed to the PVA Administrative Support Branch at (502) 564-5620.

KECC UPDATE

The Kentucky Employee Charitable Campaign (KECC) is in full swing and once again PVAs and their employees are helping make a difference. In 2002, more than 1.2 million was donated to the campaign. The Revenue Cabinet contributed over \$46,000, thanks also to the generous support of PVAs and deputies. The goal for this year is \$48,000, and we are almost there. Two events held in September helped raise almost \$2,500 for KECC.

A golf scramble was held September 4 at Lincoln Homestead Golf Course in Springfield. The event concluded with dinner at Mike Haydon's house and raised over \$2,000 for KECC.

On September 9, PVAs and Revenue Cabinet employees gathered at Legends Field in Capital View Park for a PVA vs. Revenue softball game. While the score (and who really won) was in dispute, it was agreed that everyone had a good time and the event raised over \$350 for KECC.

A final golf scramble is being held October 24 at Ducker's Lake Golf Course. There is a shotgun start at 12:00 and the fee of \$38.00 includes green fees, golf cart, beverages, and snacks. Contact Mike Baker at 502-564-8175 if you are interested in playing or for more information.

To date, over \$33,000 has been raised by the Revenue Cabinet and its employees. There is still time to turn in your payroll deduction form if you haven't done so already. Let's make Secretary Mayton proud and support KECC!

FROM THE COMMISSIONER'S DESK

This summer has been a busy and productive one for the Department and we are now turning our full attention toward the annual Conference on Assessment Administration that will be held this October. This year's conference will continue the workshop and roundtable formats that have proven to be effective at disseminating information in past years; however, there will be a couple of new ideas that will be tried. A special "Hands on GIS" workshop will be offered during each workshop session on Wednesday and Thursday of the Conference in an effort to continue the training all PVA offices need to take advantage of the GIS technology. An optional workshop will be held on Monday afternoon that will provide information and tips on providing good customer service. Finally, the banquet is going to be held on Monday evening. This change was suggested by many of you in last year's conference survey as a way of boosting attendance at this event. From looking at the preliminary schedule, conference week will be jam packed with a wide variety of educational and social events. I believe this conference will be very informative and a very enjoyable experience for all of you. I am looking forward to seeing you in Louisville!

Tom



**LONGTIME EMPLOYEES
RETIRE**

Four longtime Department employees retired July 31.

Edna Driskell, a longtime employee of the Division of State Valuation, retired after 25 years of service.

Paul Heightchew, supervisor of the MOTAX branch, retired after 15 years of service. Heightchew assisted with the centralization of the tangible and intangible systems.

Debbie Ritter, an employee in the Division of Technical Support, retired after 28 years of service.

Lois Sullivan, another longtime employee in the Division of State Valuation, retired after 29 years of service.

Betty Claycomb, the Revenue Cabinet's Taxpayer Ombudsman, also retired August 31. Although she didn't work specifically for the Department of Property Valuation, many Department employees and PVAs had the opportunity to work with Betty over the years.

All five were honored along with other cabinet retirees at a reception held July 30 at 200 Fair Oaks.

**BARLOW APPOINTED
BRANCH MANAGER**

Pat Barlow was appointed manager of the MOTAX Branch September 1, 2003. Barlow has been with the Department of Property Valuation since 1997 and most recently was working in the Division of Local Valuation. Barlow has also worked in the PVA office, serving as a deputy in Harrison County for 17 years.

**LEAVELL-GREENE
APPOINTED TO KSU BOARD
OF REGENTS**

On July 24, 2003, JoJuana Leavell-Greene, Manager of the PVA Administrative Support Branch, was appointed to the Board of Regents of Kentucky State University. Her term expires June 30, 2009.

**OFFICES CLOSED FOR
HOLIDAYS**

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

Tuesday, November 11, 2003, in observance of Veteran's Day.

Thursday, November 27, and Friday, November 28, 2003, in observance of Thanksgiving.

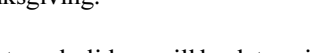
Christmas holidays will be determined at a later date.

IAAO KY CHAPTER NEWS

The Kentucky Chapter of IAAO was well represented at the national conference in Tennessee. Monday night's joint meeting with Tennessee was a big success and so was the reception later that night.

Chapter officers will be installed Wednesday, October 15, during the fall meeting in Louisville. We will also be making a special presentation to Ronald McDonald House. The meeting will be followed by a reception featuring music by Lamont Gillispie and 100 Proofs.

Congratulations to Anita Campbell, Ballard County Deputy, who recently earned her Cadastral Mapping Specialist (CMS) designation from IAAO.



THREE COUNTIES HAVE NEW E-MAIL ADDRESSES

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

- Carlisle County: LarryW.Scott@mail.state.ky.us
- Casey County : JohnnieE.Beard@mail.state.ky.us.
- Metcalfe County: MichaelR.Welsh@mail.state.ky.us

This brings the total to 79 counties connected to the wide area network, with more scheduled for the future.

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.

Printing costs paid from state funds.



GETTING AROUND DOWNTOWN LOUISVILLE

By Nick Kearney

The commonwealth's largest urban area can be a bewildering place for those who come from a town where cows outnumber stoplights. But as big cities go, Louisville is fairly easy to navigate and really does have a lot to offer for everyone. Downtown in particular is a great place for a walk once your car has been parked. So escape from the PVA Conference at lunch or after hours and get a taste of metropolis, Kentucky style.

Getting around downtown Louisville is relatively easy with a few simple directions. The streets are laid out in a grid pattern running either north/south or east/west. The best way to get acclimated is to use Fourth Street as your north-south frame of reference and Main Street as your east-west frame of reference. Traveling north from the Hyatt Regency on Fourth Street, toward the Ohio River, one crosses Jefferson, Market and Main Streets, ending up at the Galt House and to its left (west) the Belvedere and the Kentucky Center for the Arts. The Belvedere is an expansive paved area that is often used for festivals and other large gatherings. The view of the river is impressive from the Belvedere. Upstream, or to the east, Riverfront Park is one of Louisville's newest jewels, replacing an industrial area punctuated by large heaps of scrap metal. Walk past the Belle of Louisville, Joe's Crab Shack, and head for the green space. Riverfront Park is a great place to unwind on a fall day. You can walk all the way to Slugger Field. After winning the West Division, the Bats lost in the first round of the International League playoffs, but Brownings, the on-site microbrewery, is still open for lunch.

Going south from the Hyatt on Fourth Street, one will cross these streets: Liberty, Muhammad Ali Boulevard, Chestnut, and Broadway. Beware of the former Galleria area, between Liberty and Muhammad Ali. It is closed for renovation, but will deserve a return trip next year when Hard Rock Cafe and other trendy establishments promise to transform the area. Probably the best way to travel south on fourth is via the Toonerville Trolley, which circles the former Galleria location and heads down the Fourth Street

theater district (more on the Trolley later). After crossing Muhammad Ali Boulevard, you will see the Seelbach Hotel, located on the west side of Fourth Street. Notice the historical marker commemorating the spot where Ron Durbin proposed to Judie. Continuing south on the east side of Fourth Street, just before Chestnut Street, is a Walgreen's Drug Store for those who forgot to pack a toothbrush or other necessary items. Interesting shops abound on this part of Fourth Street. Half a block after Chestnut Street is the famous Palace Theater. Across the street is Cunningham's Restaurant and then the Theater Square area, where several good lunch spots can be found. Beyond Theater Square and before Broadway is the Brown Hotel, where the famous Hot Brown was created in the English Grill.

If the Conference has taken its toll on your feet and you want a ride up and down Fourth Street free of charge, try the Toonerville Trolley. It operates on weekdays from 7:15 a.m. to 11:00 p.m. and on Saturday from 9:30 a.m. to 11:00 p.m. It travels along Fourth Street between the Galt House and Theater Square, except that on its southward trip it travels along Third Street between Liberty and Muhammad Ali Boulevard, and on its northward trip it travels along Fifth Street between Muhammad Ali Boulevard and Liberty Street, again avoiding the mess at the former Galleria.

Louisville's Main Street also offers an interesting perspective, particularly when traveling west. On the south side between Fifth and Sixth Streets is the impressive Humana building, while across the street on the north (river) side is the Kentucky Center for the Arts. On Wednesday and Thursday of Conference week, the Kentucky Center Arts and Culture Festival will be going on, which is free to the public. For those who remain after the conclusion of the Conference on Thursday night and want to get into the Halloween spirit early, Walden Theater presents "A Night of Poe", described as "two eerie one-acts", for only \$5.00. Continuing down Main Street, several blocks of restored nineteenth-

century buildings greet those interested in architectural history. Numerous restaurants beckon between Fifth and Eighth, including Kentucky Cove, City Wok, Los Aztecas, Bristol Cafe, Morton's of Chicago, The Main Eatery, Luigi's Pizzeria, Day's Espresso & Coffee Bar, and the Galaxy Bistro. Half a block down Seventh is a great lunch spot for deli sandwiches, "Another Place". Across Seventh Street on Main, the Louisville Science Center, which boasts many interactive displays for young and old alike, presents plenty of diversions. Now showing at the Science Center's IMAX theater: "Coral Reef Adventure," set in the South Pacific, a film that was recently named Best Film of 2003 by the Giant Screen Theatre Association. Across Eighth and Main Streets, the Louisville Slugger Museum awaits. You can't miss the world's largest bat, located outside this building. And a final treat just beyond the Slugger Museum is Caulfield's costume shop, a great place to get in the Halloween spirit or just browse.

Traveling east on the south side of Main Street, about a half block from Fourth Street, one encounters Actors Theater of Louisville. Showing on Sunday and Thursday of Conference week is "Dracula", and Shakespeare's "As You Like It" from Tuesday through Thursday. At Second Street, some great pizza can be found at Bearno's by the Bridge. Between here and Slugger Field a couple of night spots worth mentioning are Zena's and Stevie Ray's Blues Bar. Tuesday night is jam night at Stevie Ray's, with local musicians performing for no cover charge. After 10:00 p.m. on Tuesday, Zena's features Tanita Gaines, named the "Official Song Bird of Kentucky" by former Governor Brereton Jones.

You can also reach any of these points of interest on the Main Street Trolley, which is also free and which can be boarded at any trolley stop along Main Street (westbound) or Market Street (eastbound) between Tenth Street and Clay Street. This trolley operates on weekdays from 6:45 a.m. to 6:30 p.m.

So get out of the building and stretch your legs!