

**CHAPTER 143****(HB 182)**

AN ACT relating to property tax administration.

WHEREAS, KRS 132.220 requires that all taxable property be valued and assessed as of January 1 of each year; and

WHEREAS, KRS 132.220 also requires that all persons in whose name property is properly assessed remain bound for the tax, notwithstanding they may have sold or parted with the property; and

WHEREAS, a significant number of transfers of real property occur during any year after the assessment date and prior to tax bills being mailed; and

WHEREAS, there are many different types of contractual agreements between a buyer and seller related to the payment of property tax for the year in which a transfer of real property occurs; and

WHEREAS, the party responsible for the payment of the property tax pursuant to an agreement upon the sale of the property is not always the party who receives the tax bill; and

WHEREAS, the provisions of the Act are not intended to change the person legally responsible for payment of the property tax but to facilitate the delivery of notice to the party who may have agreed, pursuant to a contract, to pay the tax; and

WHEREAS, it is acknowledged that based on the timing of the transfer of real property, the provisions of the Act may result in the delivery of the tax bill to a person other than the person designated in the deed;

NOW, THEREFORE,

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔Section 1. KRS 132.480 is amended to read as follows:

- (1) Each county clerk shall, on or before the fifteenth day of each month, provide to the property valuation administrator a copy of all deeds and other conveyances transferring real property made during the preceding month. For this service the clerk shall be allowed reasonable compensation by the fiscal court.
- (2)
  - (a) ***The property valuation administrator shall review the deeds to ascertain the in-care-of address to which the property tax bill shall be sent, as reflected in the deed and as required by subsection (1) of Section 3 of this Act, and shall update his or her records to reflect the in-care-of address.***
  - (b) ***Inclusion of the in-care-of address in the records of the property valuation administrator, if the in-care-of address is other than that of the owner of the property on January 1, shall in no way impact the legal responsibility of the owner of the property as of January 1 for the payment of the tax.***
- (3) ***Information provided by the property valuation administrator to the county clerk for preparation of the tax bills shall include all in-care-of addresses reflected in all deeds reviewed by the property valuation administrator during that year prior to the transfer of information to the county clerk.***

➔Section 2. KRS 133.220 is amended to read as follows:

- (1) The department~~of Revenue~~ annually shall furnish to each county clerk tax bill forms designed for adequate accounting control sufficient to cover the taxable property on the rolls.
- (2) After receiving the forms, the county clerk shall prepare for the use of the sheriff or collector a correct tax bill for each taxpayer in the county whose property has been assessed and whose valuation is included in the certification provided in KRS 133.180. If the bills are bound, the cost of binding shall be paid out of the county levy. Each tax bill shall show the rate of tax upon each one hundred dollars (\$100) worth of property for state, county, and school purposes; the name of the taxpayer and his mailing address; the number of acres of farm land and its value; the number of lots and their value; the amount and value of notes and money; the value of mixed personal property; and the total amount of taxes due the state, county, school fund, and other levies. Provision shall be made for the sheriff to have a stub, duplicate, or other proper evidence of receipt of payment of each tax bill.
- (3) Tax bills prepared in accordance with the certification of the department~~of Revenue~~ shall be delivered to the sheriff or collector by the county clerk before September 15 of each year. The clerk shall take a receipt

showing the number of tax bills and the total amount of tax due each taxing district as shown upon the tax bills. The receipt shall be signed and acknowledged by the sheriff or collector before the county clerk, filed with the county judge/executive, and recorded in the order book of the county judge/executive in the manner required by law for recording the official bond of the sheriff.

- (4) Upon delivery to him of the tax bills, the sheriff or collector shall mail a notice to each taxpayer, showing the total amount of taxes due the state, county, school fund, and other levies, the date on which the taxes are due, and any discount to which the taxpayer may be entitled upon payment of the taxes prior to a designated date.
- (5) All notices returned as undeliverable shall be submitted no later than the following work day to the property valuation administrator. The property valuation administrator shall correct inadequate or erroneous addresses if the information to do so is available and, if property has been transferred, shall determine the new owner and the current mailing address, *or the in-care-of address reflected in the deed as required by Section 3 of this Act*. The property valuation administrator shall return the corrected notices to the sheriff or collector on a daily basis as corrections are made, but no later than fifteen (15) days after receipt. Uncorrected notices shall be submitted to the department by the property valuation administrator.

➔Section 3. KRS 382.135 is amended to read as follows:

- (1) In addition to any other requirement imposed by law, a deed to real property shall contain the following:
  - (a) The mailing addresses of the grantor and grantee;
  - (b) A statement of the full consideration;~~and~~
  - (c) *A statement indicating the in-care-of address to which the property tax bill for the year in which the property is transferred may be sent; and*
  - (d) *1.* In the case of a transfer other than by gift, or with nominal or no consideration a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, that the consideration reflected in the deed is the full consideration paid for the property; or
    - ~~2.((d))~~ In the case of a transfer either by gift or with nominal or no consideration, a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, stating that the transfer is by gift and setting forth the estimated fair cash value of the property.
- (2) The deed filing requirements listed in subsection (1)(b) and ~~(d)((e))~~ of this section shall not apply to:
  - (a) Deeds which only convey utility easements;
  - (b) Deeds which transfer property through a court action pursuant to a divorce proceeding;
  - (c) Deeds which convey rights-of-way that involve governmental agencies;
  - (d) Deeds which convey cemetery lots;
  - (e) Deeds which correct errors in previous deeds conveying the same property from the same grantor to the same grantee; or
  - (f) Deeds which convey real property to a local airport board.
- (3) In the case of an exchange of properties, the fair cash value of the property being exchanged shall be stated in the body of the deed.
- (4) In the event of a transfer of property by will or under the laws of intestate succession, the personal representative of the estate, prior to closing out the estate, shall file an affidavit with the county clerk of each county in which any of the property is located, which shall contain the following:
  - (a) The names and addresses of the persons receiving each property passing by will or intestate succession; and
  - (b) The full or fair market value of each property as estimated or established for any purpose in the handling of the estate, or a statement that no such values were estimated or established.

- (5) No county clerk or deputy clerk shall lodge for record, and no county clerk or deputy shall receive and permit to be lodged for record, any deed that does not comply with the provisions of this section.

➔Section 4. KRS 132.380 is amended to read as follows:

- (1) Before any person's name shall appear before the voters on election day as a candidate for the office of property valuation administrator in any primary or general election, except ***a current property valuation administrator already qualified*** as a candidate to succeed himself in office, or before he may be appointed property valuation administrator, except as an interim appointee as provided by KRS 132.375, he shall hold a certificate issued by the department ~~of Revenue~~, showing that he has been examined by it and that he is qualified for the office. All certificates issued shall expire one (1) year from the date of issuance~~, except for the certificates issued to successful candidates of the 1997 exam. Those certificates shall remain valid until after the November, 1998 election~~. The examinations shall be written and formulated so as to test fairly the ability and fitness of the applicant to serve as property valuation administrator. The department ~~of Revenue~~ shall hold the ***examination at a central location*** ~~examinations in at least one (1) place in each Supreme Court district~~ during the month of November of each year immediately preceding each year in which property valuation administrators are to be elected. The department ~~of Revenue~~ shall, ***at least thirty (30) days prior to the examination, issue a statewide press release announcing the examination and post the announcement on the department's Web site*** ~~advise each county attorney of the time and place of the examination, and the county attorney shall post a notice thereof in a conspicuous place in the courthouse two (2) weeks before the examination is given~~. Any person desiring to take an examination shall appear at the time and place designated.
- (2) If, after the giving of the examination, as provided in subsection (1), there is ~~no~~~~only one (1)~~ person qualified to be a candidate in the county, the department ~~of Revenue~~ shall hold a second examination ~~prior to the filing date in each Supreme Court district where necessary~~. Applicants from only those counties having ~~no~~~~not more than one (1)~~ person qualified shall be eligible to take the examination. Notice of the second examination shall be ~~made~~~~posted~~ in the manner provided in subsection (1) ***of this section, except that the notice shall be provided at least fourteen (14) days prior to the second examination.***
- (3) ***If no qualified candidate files for the office, a special examination shall be given at a time determined by the department. Notice of and registration for the special examination shall be provided in the same manner as provided in subsection (2) of this section.***
- (4) Whenever there is a vacancy in the office of property valuation administrator to be filled by appointment or by election, and there is not more than one (1) person holding a valid certificate and eligible for appointment or election, the department ~~shall~~~~of Revenue may~~ hold a special examination for applicants seeking a certificate for the office. If, after the giving of a special examination, only one (1) person is qualified, the county judge/executive may request a second examination. ***Notice of and registration for the special examination*** ~~examinations~~ shall be ***provided*** ~~held~~ in the same manner as ***provided by subsection (2) of this section*** ~~regular examinations~~.
- ~~(5)~~~~(4)~~ Examinations shall be given and graded in accordance with rules of the department published at the time of the examination. Within ten (10) days after the examination, a certificate of fitness and qualification to fill the office of property valuation administrator shall be issued by the Department of Revenue to each person passing the examination.
- ~~(6)~~~~(5)~~ Examination records shall be preserved by the department for twelve (12) months after the examination, and the record of any person who took the examination may be seen by him at the office of the Department of Revenue in Frankfort, Kentucky.

➔Section 5. This Act takes effect August 1, 2008.

**Signed by Governor April 24, 2008.**