

CHAPTER 69

(HB 186)

AN ACT relating to real property taxation.

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

➔Section 1. KRS 132.0225 is amended to read as follows:

- (1) A taxing district that does not elect to attempt to set a rate that will produce more than four percent (4%) in additional revenue, exclusive of revenue from new property as defined in KRS 132.010, over the amount of revenue produced by the compensating tax rate as defined in KRS 132.010 shall establish a final tax rate within forty-five (45) days of the department's certification of the county's property tax roll. ***A city that does not elect to have city ad valorem taxes collected by the sheriff as provided in KRS 91A.070(1) shall be exempt from this deadline.*** Any *nonexempt* taxing district that fails to meet this deadline shall be required to use the compensating tax rate for that year's property tax bills.
- (2) A taxing district that elects to attempt to set a rate that will produce more than four percent (4%) in additional revenue, exclusive of revenue from new property as defined in KRS 132.010, over the amount of revenue produced by the compensating tax rate as defined in KRS 132.010 shall follow the provisions of KRS 132.017.

➔Section 2. KRS 132.285 is amended to read as follows:

- (1) Except as provided in subsection (3) of this section, any city may by ordinance elect to use the annual county assessment for property situated within such city as a basis of ad valorem tax levies ordered or approved by the legislative body of the city. Any city making such election shall notify the Department of Revenue and property valuation administrator prior to the next succeeding assessment to be used for city levies. In such event the assessment finally determined for county tax purposes shall serve as a basis of all city levies for the fiscal year commencing on or after the county assessment date. Each city which elects to use the county assessment shall annually appropriate and pay each fiscal year to the office of the property valuation administrator for deputy and other authorized personnel allowance, supplies, maps and equipment, and other authorized expenses of the office one-half of one cent (\$0.005) for each one hundred dollars (\$100) of assessment; provided, that sums paid shall not be less than two hundred fifty dollars (\$250), nor more than forty thousand dollars (\$40,000) in a city having an assessment subject to city tax of less than two billion dollars (\$2,000,000,000) or fifty thousand dollars (\$50,000) in a city having an assessment subject to city tax of more than two billion dollars (\$2,000,000,000). This allowance shall be based on the assessment as of the previous January 1. Each property valuation administrator shall file a claim with the city ***for the county assessment, which shall include the recapitulation submitted to the city pursuant to subsection (2) of Section 3 of this Act.*** ~~and~~ The city shall order payment in an amount not to exceed the appropriation authorized by this section. The property valuation administrator shall be required to account for all moneys paid to his office by the city and any funds unexpended by the close of each fiscal year shall carry over to the next fiscal year. Notwithstanding any statutory provisions to the contrary, the assessment dates for such city shall conform to the corresponding dates for the county, and such city may by ordinance establish additional financial and tax procedures that will enable it effectively to adopt the county assessment. The legislative body of any city adopting the county assessment may fix the time for levying the city tax rate, ~~fiscal year,~~ due and delinquency dates for taxes and any other dates that will enable it effectively to adopt the county assessment, notwithstanding any statutory provisions to the contrary. Any such city may, by ordinance, abolish any office connected with city assessment and equalization; ~~except that in the case of a city assessor who is elected by the qualified voters of the city, the office may not be abolished before the end of the term of such assessor.~~ Any city which elects to use the county assessment shall have access to the assessment records as soon as completed and may obtain a copy of that portion of the records which represents the assessment of property within such city by additional payment of the cost thereof. Once any city elects to use the county assessment, such action cannot be revoked without notice to the Department of Revenue and the property valuation administrator six (6) months prior to the next date as of which property is assessed for state and county taxes.
- (2) In the event any omitted property is assessed by the property valuation administrator as provided by KRS 132.310 such assessment shall be considered as part of the assessment adopted by the city according to subsection (1) of this section.
- (3) For purposes of the levy and collection of ad valorem taxes on motor vehicles, cities shall use the assessment required to be made pursuant to KRS 132.487(5).

- (4) Notwithstanding the provisions of subsection (1) of this section, each city which elects to use the county assessment for ad valorem taxes levied for 1996 or subsequent years, and which used the county assessment for ad valorem taxes levied for 1995, shall appropriate and pay to the office of the property valuation administrator for the purposes set out in subsection (1) of this section an amount equal to the amount paid to the office of the property valuation administrator in 1995, or the amount required by the provisions of subsection (1) of this section, whichever is greater.

➔Section 3. KRS 133.040 is amended to read as follows:

- (1) The property valuation administrator shall complete the tax roll of all real property in his county before the first Monday in April of each year in accordance with law, and on or before that date he shall file with the department, on forms provided by the department, a recapitulation of all property assessed on the tax roll with his official certificate attached. The recapitulation shall show the assessment of property by type of property and by taxing district. Within fifteen (15) calendar days after receiving the recapitulation, the department shall direct the property valuation administrator to make any changes that are necessary to correct the assessment. The department shall preserve all recapitulations and schedules or a photographic facsimile for a period of seven (7) years from the assessment date.
- (2) At the time the property valuation administrator submits his property recapitulations to the department, he shall submit a copy of the recapitulations to the county judge/executive, the treasurer or chief officer of each special district in the county, the chief ~~executive~~~~administrative~~ officer of ~~an~~~~the~~ urban-county, ***charter county, unified local government, or consolidated local government, the mayor of each city electing to use the annual county assessment pursuant to Section 2 of this Act,*** and the superintendent of each local school district in his county.
- (3) Beginning with the 1995 assessment year, if the property valuation administrator has not submitted an acceptable recapitulation to the department by the first Monday in August, the department shall, within fifteen (15) days, conduct an investigation into the reasons for the failure. The department shall notify the property valuation administrator in writing of his right to appear before the commissioner or his designee during the investigation to provide an explanation for the failure to submit an acceptable recapitulation. At any time after the completion of an investigation resulting in a finding that the failure to submit an acceptable recapitulation was not reasonably justified, the department may declare an emergency assessment under the provisions of KRS 132.660.
- (4) If the commissioner determines upon the conclusion of the investigation that the failure to submit an acceptable recapitulation was not reasonably justified, the commissioner shall notify the property valuation administrator in writing of the department's findings, and of the department's intent to suspend the property valuation administrator's compensation as of the date of the notification and until the date an acceptable recapitulation is submitted. The notification shall inform the property valuation administrator that the amount of compensation suspended under this subsection is subject to forfeiture as provided in subsection (5) of this section.
- (5) The property valuation administrator may, within ten (10) days of the date of notice provided for in subsection (4) of this section, request in writing a formal administrative hearing before a department hearing officer appointed by the commissioner. All hearings shall be conducted in accordance with KRS Chapter 13B. If in the recommended order:
 - (a) The hearing officer determines, and the commissioner agrees, that the failure to submit an acceptable recapitulation was not reasonably justified, the commissioner shall reaffirm the notice of forfeiture provided for in subsection (4) of this section and issue a final order in writing to the property valuation administrator.
 - (b) The hearing officer determines, and the commissioner agrees, that the failure to submit an acceptable recapitulation was reasonably justified, the commissioner shall notify the property valuation administrator in a final order, and compensation suspended under subsection (4) of this section shall be paid with interest at the tax interest rate defined in KRS 131.010(6).
- (6) If the property valuation administrator does not request in writing a formal administrative hearing within the time prescribed in subsection (5) of this section, the commissioner shall reaffirm the notice of forfeiture provided for in subsection (4) of this section and issue a final order in writing to the property valuation administrator.

- (7) The property valuation administrator may appeal the commissioner's final order in the same manner, and subject to the same provisions as set forth in KRS 132.370(7).
- (8) A property valuation administrator who fails to submit an acceptable recapitulation, within the times prescribed in subsection (3) of this section and after a previous finding that a prior year's failure to submit an acceptable recapitulation was determined to not be reasonably justified, shall be subject to removal from office as provided by KRS 132.370(4).

Signed by the Governor March 24, 2009.