

FINANCE AND ADMINISTRATION CABINET
Department of Revenue
(Amendment)

103 KAR 5:160. Property valuation administrator office employees: payment of leave upon separation.

RELATES TO: KRS 132.370

STATUTORY AUTHORITY: KRS 131.130(1), 132.370(9)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 132.370(9) requires the Department of Revenue~~[Cabinet]~~ to promulgate administrative regulations which allow property valuation administrators and their deputies to receive lump-sum payments for accrued annual leave and compensatory time when separated from employment because of termination by the employer, resignation, retirement, or death. This administrative regulation establishes the procedure for receiving the lump-sum payments.

Section 1. Payment of Annual Leave and Compensatory Time Upon Separation. (1) If a property valuation administrator or deputy property valuation administrator is separated from employment as a result of termination, resignation, retirement, or death, he or she shall be paid in a lump sum for accumulated annual leave. The accumulated annual leave for which he or she is paid shall not exceed the amounts established by 101 KAR 3:015 Section 1(2)(j).~~[(2)(h).]~~ Following payment of annual leave upon separation, leave remaining after the payment of the maximum provided shall be removed from the balance.

(2) A property valuation administrator or deputy property valuation administrator who reverts to the classified or unclassified service, or resigns or is terminated one (1) day and is employed the next workday, shall retain his or her accumulated annual leave in the receiving agency.

(3) A property valuation administrator or deputy property valuation administrator may request in writing that his or her accumulated annual leave not be paid upon resignation, and that all or part of the amount of his or her accumulated annual leave that does not exceed the amount established by this section be waived, if the successor employer has agreed to credit him or her with an equal amount of annual leave.

(4) Upon separation from state service, a property valuation administrator or deputy property valuation administrator shall be paid for all unused compensatory time as established by 101 KAR 3:015, Section 5 (2)(g).~~[at the greater of the:~~

~~(a) Regular hourly rate of pay; or~~

~~(b) Average regular rate of pay for the final three (3) years of employment.]~~

(5) Upon the death of a property valuation administrator or deputy property valuation administrator, his or her estate shall be entitled to receive a lump sum for the unused portion of his or her accumulated annual leave and compensatory time.

DANIEL BORK, Commissioner

APPROVED BY AGENCY: June 6, 2019

FILED WITH LRC: June 7, 2019 at 2 p.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on July 25, 2019 at 10:00 a.m. in Room 9B, State Office Building, 501 High Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may

be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through July 31, 2019. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Lisa Swiger, Tax Policy Research Consultant II, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky 40601, (502) 564-9526 (telephone), (502) 564-3875(fax), Lisa.Swiger@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Lisa Swiger

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation amends 103 KAR 5:160 to conform to changes to Personnel Cabinet regulation 101 KAR 3:015, Section 5 (2)(g) regarding the payment of leave for PVA's and their deputies upon separation of employment.

(b) The necessity of this administrative regulation: To update 103 KAR 5:160 to conform to recent changes to 101 KAR 3:015.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 131.130(1) provides authority for the department to promulgate regulations as needed to for the administration of the tax laws of the Commonwealth of Kentucky.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This regulation will insure that the Department of Revenue is in compliance with KRS 13A, and provide the most recent information regarding the payment of leave balances upon separation of employment for a PVA or deputy PVA.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: See (1)(a).

(b) The necessity of the amendment to this administrative regulation: See (1)(b).

(c) How the amendment conforms to the content of the authorizing statutes: See (1)(c).

(d) How the amendment will assist in the effective administration of the statutes: See (1)(d).

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Only county PVA's and their deputies.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: There will be no required actions to take other than the understanding of how leave balances will be distributed in a lump-sum payment per the formation provided by 101 KAR 3:015.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no costs associated with this change.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): None.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: There are no new costs associated with the promulgation of this administrative

regulation. Current department funding will be utilized for implementation.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: None.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: No increase in fees or funding will be necessary to implement this amendment.

(8) State whether this administrative regulation establishes any fees or directly or indirectly increases any fees: No fees are directly or indirectly increased.

(9) TIERING: Is tiering applied? Tiering is not applied. This administrative regulation will require all PVA's impacted by its provisions to adhere to the same guidelines.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The 120 county PVA offices and the Department of Revenue will be impacted.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS Chapter 13A, 131.130 and 101 KAR 3:015.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. There will be no effect on expenditures and revenues for government agencies because of amending this administrative regulation to provide more recent and up to date information.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? None.

(d) How much will it cost to administer this program for subsequent years? None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: