

1 AN ACT relating to property valuation and declaring an emergency.

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

3 ➔Section 1. KRS 132.690 is amended to read as follows:

4 (1) **(a)** Each parcel of taxable real property or interest therein subject to assessment
 5 by the property valuation administrator shall be revalued during each year of
 6 each term of office by the property valuation administrator at its fair cash
 7 value in accordance with standards **and procedures** prescribed by the
 8 department~~[of Revenue]~~ and shall be~~[physically]~~ examined no less than once
 9 every four (4) years by the property valuation administrator~~[or his assessing~~
 10 ~~personnel]~~.

11 **(b) For any real property upon which any improvements have been made since**
 12 **the prior examination, the property valuation administrator or his or her**
 13 **deputy shall perform an on-site, in-person visual examination of the real**
 14 **property and the improvements. The examination shall be conducted in a**
 15 **manner approved by the department and for the purpose of gathering any**
 16 **necessary information related to the characteristics of the real property and**
 17 **the improvements for purposes of assessing their value. Any subsequent**
 18 **examination of the real property for purposes of assessing its value by the**
 19 **property valuation administrator or his or her deputy shall be performed by:**

20 **1. On-site, in-person visual examination;**

21 **2. Use of digital imaging technology as defined by the International**
 22 **Association of Assessing Officer's Standard on Mass Appraisal of**
 23 **Real Property; or**

24 **3. Any other examination method approved by the department.**

25 **(c)** In accordance with **standards and** procedures prescribed by the department~~[~~
 26 ~~of Revenue]~~, the property valuation administrator shall submit an assessment
 27 schedule to the department and shall maintain a record of **the**~~[physical]~~

1 examination and revaluation for each parcel of real property which ***shall***
2 ***include the inspection dates and any***~~[includes, in addition to]~~ other relevant
3 information~~[, the inspection dates]~~.

4 (2) The right of any individual to appeal the assessment on his property in any year as
5 provided in KRS 133.120 shall in no way be affected by this section.

6 (3) If the property valuation administrator fails to revalue property as required by this
7 section, the department~~[of Revenue]~~ shall have the authority to order an emergency
8 revaluation in the same manner as provided for emergency assessments by KRS
9 132.660. Any property valuation administrator willfully violating the provisions of
10 subsection (1) of this section or who refuses to comply with the directions of the
11 department~~[of Revenue]~~ to correct the assessment shall have his compensation
12 suspended by the department and shall be subject to removal from office as
13 provided by KRS 132.370(4) and shall be subject to the provisions of KRS 132.620
14 and 61.120.

15 (4) Nothing in this section shall prohibit action by the department~~[of Revenue]~~ under
16 the provisions of KRS 133.150 or 132.660 in any year in which the department
17 determines such action to be necessary.

18 ➔Section 2. KRS 133.120 is amended to read as follows:

19 (1) (a) Any taxpayer desiring to appeal an assessment on real property made by the
20 property valuation administrator shall first request a conference with the
21 property valuation administrator or his or her designated deputy. The
22 conference shall be held prior to or during the inspection period provided for
23 in KRS 133.045, ***or during an extension granted under subsection (2)(d) of***
24 ***this section.***

25 (b) 1. Any person receiving compensation to represent a property owner at a
26 conference with the property valuation administrator for a real property
27 assessment shall be:

- 1 a. An attorney;
- 2 b. A certified public accountant;
- 3 c. A certified real estate broker;
- 4 d. A Kentucky licensed real estate broker;
- 5 e. An employee of the property owner;
- 6 f. A licensed or certified Kentucky real estate appraiser;
- 7 g. An appraiser who possesses a temporary practice permit or
- 8 reciprocal license or certification in Kentucky to perform
- 9 appraisals and whose license or certification requires him or her to
- 10 conform to the Uniform Standards of Professional Appraisal
- 11 Practice; or
- 12 h. Any other individual possessing a professional appraisal
- 13 designation recognized by the department.
- 14 2. A person representing a property owner before the property valuation
- 15 administrator shall present written authorization from the property
- 16 owner which sets forth his or her professional capacity and shall disclose
- 17 to the property valuation administrator any personal or private interests
- 18 he or she may have in the matter, including any contingency fee
- 19 arrangements, except that attorneys shall not be required to disclose the
- 20 terms and conditions of any contingency fee arrangement.
- 21 (c) During this conference, the property valuation administrator or his or her
- 22 deputy shall provide an explanation to the taxpayer of the constitutional and
- 23 statutory provisions governing property tax administration, including the
- 24 appeal process, as well as an explanation of the procedures followed in
- 25 deriving the assessed value for the taxpayer's property.
- 26 (d) The property valuation administrator or his or her deputy shall keep a record
- 27 of each conference which shall include but not be limited to the initial

1 assessed value, the value claimed by the taxpayer, an explanation of any
2 changes offered or agreed to by each party, and a brief account of the outcome
3 of the conference.

4 (e) At the request of the taxpayer, the conference may be held by telephone.

5 (2) (a) Any taxpayer still aggrieved by an assessment on real property made by the
6 property valuation administrator after complying with the provisions of
7 subsection (1) of this section may appeal to the board of assessment appeals.

8 (b) The taxpayer shall appeal his or her assessment by filing in person or sending
9 a letter or other written petition to the county clerk stating the reasons for
10 appeal, identifying the property for which the appeal is filed, and stating the
11 taxpayer's opinion of the fair cash value of the property.

12 (c) The appeal shall be filed no later than one (1) workday following the
13 conclusion of the inspection period provided for in KRS 133.045 or no later
14 than the last day of an extension granted under paragraph (d) of this
15 subsection.

16 (d) A property valuation administrator may make a written request to the
17 department to extend the deadline in his or her county of jurisdiction to
18 allow the completion of the conferences requested during the inspection
19 period required by subsection (1)(a) of this section and to extend the filing
20 deadline for appeals to the board of assessment appeals. If approved by the
21 department, the deadline for the completion of the conferences requested
22 during the inspection period and filing appeals shall be extended for a
23 period not to exceed twenty-five (25) days from the date of the original filing
24 deadline.

25 (e) The county clerk shall notify the department of all assessment appeals and of
26 the date and times of the hearings.

27 ~~(f)(e)}~~ The board of assessment appeals may review and change any assessment

1 made by the property valuation administrator upon recommendation of the
2 county judge/executive, mayor of any city using the county assessment, or the
3 superintendent of any school district in which the property is located, if the
4 recommendation is made to the board in writing specifying the individual
5 properties recommended for review and is made no later than one (1) work
6 day following the conclusion of the inspection period provided for in KRS
7 133.045, or no later than the last day of an extension granted under
8 paragraph (d) of this subsection, or upon the written recommendation of the
9 department. If the board of assessment appeals determines that the assessment
10 should be increased, it shall give the taxpayer notice in the manner required by
11 subsection (4) of KRS 132.450, specifying a date when the board will hear the
12 taxpayer, if he or she so desires, in protest of an increase.

13 ~~(g)~~~~(f)~~ Any real property owner who has listed his or her property with the
14 property valuation administrator at its fair cash value may ask the county
15 board of assessment appeals to review the assessments of real properties he or
16 she believes to be assessed at less than fair cash value, if he or she specifies in
17 writing the individual properties for which the review is sought and factual
18 information upon which his or her request is based, such as comparable sales
19 or cost data and if the request is made no later than one (1) work day
20 following the conclusion of the inspection period provided for in KRS
21 133.045, or no later than the last day of an extension granted under
22 paragraph (d) of this subsection.

23 ~~(h)~~~~(g)~~ Nothing in this section shall be construed as granting any property
24 owner the right to request a blanket review of properties or the board the
25 power to conduct such a review.

26 (3) (a) The board of assessment appeals shall hold a public hearing for each
27 individual taxpayer appeal in protest of the assessment by the property

1 valuation administrator filed in accordance with the provisions of subsection
2 (2) of this section, and after hearing all the evidence, shall fix the assessment
3 of the property at its fair cash value.

4 (b) The department may be present at the hearing and present any pertinent
5 evidence as it pertains to the appeal.

6 (c) The taxpayer shall provide factual evidence to support his or her appeal. If the
7 taxpayer fails to provide reasonable information pertaining to the value of the
8 property requested by the property valuation administrator, the department, or
9 any member of the board, his or her appeal shall be denied.

10 (d) This information shall include but not be limited to the physical characteristics
11 of land and improvements, insurance policies, cost of construction, real estate
12 sales listings and contracts, income and expense statements for commercial
13 property, and loans or mortgages.

14 (e) The board of assessment appeals shall only hear and consider evidence which
15 has been submitted to it in the presence of both the property valuation
16 administrator or his or her designated deputy and the taxpayer or his or her
17 authorized representative.

18 (4) (a) Any person receiving compensation to represent a property owner in an appeal
19 before the board shall be:

- 20 1. An attorney;
- 21 2. A certified public accountant;
- 22 3. A certified real estate broker;
- 23 4. A Kentucky licensed real estate broker;
- 24 5. An employee of the taxpayer;
- 25 6. A licensed or certified Kentucky real estate appraiser;
- 26 7. An appraiser who possesses a temporary practice permit or reciprocal
27 license or certification in Kentucky to perform appraisals and whose

- 1 license or certification requires him or her to conform to the Uniform
2 Standards of Professional Appraisal Practice; or
- 3 8. Any other individual possessing a professional appraisal designation
4 recognized by the department.
- 5 (b) A person representing a property owner before the county board of assessment
6 appeals shall present a written authorization from the property owner which
7 sets forth his or her professional capacity and shall disclose to the county
8 board of assessment appeals any personal or private interests he or she may
9 have in the matter, including any contingency fee arrangements, except that
10 attorneys shall not be required to disclose the terms and conditions of any
11 contingency fee arrangement.
- 12 (5) The board shall provide a written opinion justifying its action for each assessment
13 either decreased or increased in the record of its proceedings and orders required in
14 KRS 133.125 on forms or in a format provided or approved by the department.
- 15 (6) The board shall report to the property valuation administrator any real property
16 omitted from the tax roll. The property valuation administrator shall assess the
17 property and immediately give notice to the taxpayer in the manner required by
18 KRS 132.450(4), specifying a date when the board of assessment appeals will hear
19 the taxpayer, if he or she so desires, in protest of the action of the property valuation
20 administrator.
- 21 (7) The board of assessment appeals shall have power to issue subpoenas, compel the
22 attendance of witnesses, and adopt rules and regulations concerning the conduct of
23 its business. Any member of the board shall have power to administer oaths to any
24 witness in proceedings before the board.
- 25 (8) The powers of the board of assessment appeals shall be limited to those specifically
26 granted by this section.
- 27 (9) No appeal shall delay the collection or payment of any taxes based upon the

1 assessment in controversy. The taxpayer shall pay all state, county, and district taxes
2 due on the valuation which he or she claims as true value and stated in the petition
3 of appeal filed in accordance with the provisions of subsection (1) of this section.

4 When the valuation is finally determined upon appeal, the taxpayer shall be billed
5 for any additional tax and interest at the tax interest rate as defined in KRS
6 131.010(6) from the date when the tax would have become due if no appeal had
7 been taken. The provisions of KRS 134.015(6) shall apply to the tax bill.

8 (10) Any member of the county board of assessment appeals may be required to give
9 evidence in support of the board's findings in any appeal from its actions to the
10 Kentucky Board of Tax Appeals. Any persons aggrieved by a decision of the board,
11 including the property valuation administrator, taxpayer, and department, may
12 appeal the decision to the Kentucky Board of Tax Appeals. Any taxpayer failing to
13 appeal to the county board of assessment appeals, or failing to appear before the
14 board, either in person or by designated representative, shall not be eligible to
15 appeal directly to the Kentucky Board of Tax Appeals.

16 (11) The county attorney shall represent the interest of the state and county in all
17 hearings before the board of assessment appeals and on all appeals prosecuted from
18 its decision. If the county attorney is unable to represent the state and county, he or
19 she the fiscal court shall arrange for substitute representation.

20 (12) Taxpayers shall have the right to make audio recordings of the hearing before the
21 county board of assessment appeals. The property valuation administrator may
22 make similar audio recordings only if prior written notice is given to the taxpayer.
23 The taxpayer shall be entitled to a copy of the department's recording as provided in
24 KRS 61.874.

25 (13) The county board of assessment appeals shall physically inspect a property upon the
26 request of the property owner or property valuation administrator.

27 ➔Section 3. KRS 133.030 is amended to read as follows:

- 1 (1) The county board of assessment appeals shall convene each year at the county seat
2 no earlier than twenty-five (25) days and no later than thirty-five (35) days
3 following the conclusion of the tax roll inspection period provided for in KRS
4 133.045. When a property valuation administrator has received permission to
5 extend the appeal filing deadline as set out in subsection (2)(d) of Section 2 of
6 this Act, the county board of assessment appeals shall convene no earlier than
7 twenty-five (25) days and no later than thirty-five (35) days after the approved
8 filing deadline.~~[- except that]~~ No meeting shall be held until the tax roll has been
9 completed and the inspection period has been held as provided by law, or until
10 revaluation of the property has been completed by the property valuation
11 administrator at the direction of the Department of Revenue as provided by KRS
12 132.690 or by the department itself as provided by KRS 133.150. All records of the
13 property valuation administrator, including all data concerning property sales within
14 the preceding year, shall be available to the board while meeting.
- 15 (2) The first regular meeting day of the board shall be devoted to the orientation and
16 training program provided for in KRS 133.020(5), to a review of the assessment of
17 the property valuation administrator and his deputies, and to a review of the appeals
18 filed with the county clerk as clerk of the board, including a review of recent sales
19 of comparable properties provided in accordance with the provisions of subsection
20 (1) of this section, and an inspection of the properties involved in the appeals when
21 in the opinion of the board such inspection will assist in the proper determination of
22 fair cash value.
- 23 (3) The board of assessment appeals shall continue in session only such time as is
24 necessary to hear appeals. The board shall not continue in session more than one (1)
25 day, if there are no appeals to be heard, nor more than five (5) days after it convenes
26 in each year, unless an extension of time is authorized by the Department of
27 Revenue upon request of the county judge/executive. Each board member shall be

1 paid one hundred dollars (\$100) for each day he serves. This compensation shall be
2 paid one-half (1/2) out of the county levy and the other half out of the State
3 Treasury.

4 (4) Members of temporary panels of the board shall serve the time necessary for
5 hearing appeals but in no case more than five (5) days except upon approval of an
6 extension of time by the Department of Revenue. Compensation of panel members
7 shall be in the same manner and at the same rate as provided for members of the
8 board.

9 ➔Section 4. KRS 133.125 is amended to read as follows:

10 (1) No later than three (3) working days after the expiration of the inspection period
11 provided for in KRS 133.045, *or three (3) working days after any extension of a*
12 *filing deadline for appeals as set out in subsection (2)(d) of Section 2 of this Act,*
13 the county clerk shall provide a copy to the property valuation administrator of each
14 appeal petition and a summary of the appeals filed with the county board of
15 assessment appeals. The summary shall be in a format, or on a form, provided or
16 approved by the Department of Revenue. The property valuation administrator
17 shall, within three (3) working days of receipt of the summary, prepare and submit
18 to the Department of Revenue a final recapitulation of the real property tax roll
19 incorporating all changes made since the submission of the first recapitulation.
20 Those properties under appeal shall be listed for recapitulation and certification
21 purposes at the value claimed by the taxpayer. After submission of the final
22 recapitulation to the Department of Revenue, assessments shall not be amended
23 except for adjustments ordered by the board and for corrections made under the
24 provisions of KRS 133.110 and KRS 133.130.

25 (2) The county clerk, or an authorized deputy, shall act as clerk of the board of
26 assessment appeals; and where additional board panels are appointed, as provided
27 by law, one (1) authorized deputy shall act as clerk for each panel. An accurate

1 record of the proceedings and orders of the board and of each of its authorized
2 panels shall be kept and shall show the name of the owner of the property, the
3 description, the type of property, the amount of the assessment the property
4 valuation administrator placed on the property, and the amount of change made in
5 the assessment by the board. A copy certified by the chairman of the board and
6 attested by the county clerk shall be filed by the clerk with the property valuation
7 administrator and with the Department of Revenue within five (5) days after the
8 adjournment of the board.

9 (3) The county clerk shall certify to the county judge/executive the number of days
10 during which the board was in session, and the court shall enter this fact of record
11 along with the amount due the board members for their services. On a presentation
12 of a copy of the order, the Finance and Administration Cabinet shall draw a warrant
13 on the State Treasurer in favor of the board members and clerk for the amount due
14 for their services.

15 (4) The county clerk and any authorized deputies serving as clerk of the board or a
16 panel thereof shall be allowed the same compensation per day for their services as is
17 allowed to members of the board of their county, and they shall be paid in the same
18 manner as members of the board are paid. The county clerk and his authorized
19 deputies shall be allowed compensation for completing and filing the record of the
20 board in the same manner as allowed for their services while acting as clerk of the
21 board or clerk of a panel of the board.

22 ➔Section 5. KRS 132.220 is amended to read as follows:

23 (1) (a) All taxable property and all interests in taxable property, unless otherwise
24 specifically provided by law, shall be listed, assessed, and valued as of
25 January 1 of each year.

26 (b) 1. It shall be the duty of the holder of the first freehold estate in any real
27 property taxable in this state to list or have listed the property with the

1 property valuation administrator of the county where it is located
2 between January 1 and March 1 in each year, except as otherwise
3 provided by law.

4 2. It shall be the duty of all persons owning any tangible personal property
5 taxable in this state to list or have listed the property with the property
6 valuation administrator of the county of taxable situs or with the
7 department between January 1 and May 15 in each year, except as
8 otherwise prescribed by law.

9 3. The holder of legal title, the holder of equitable title, and the claimant or
10 bailee in possession of the property on the assessment date as provided
11 by law shall be liable for the taxes thereon, and the property may be
12 assessed in any of their names. But, as between them, the holder of the
13 equitable title shall pay the taxes thereon, whether or not the property is
14 in his or her possession at the time of payment.

15 4. All persons in whose name property is properly assessed shall remain
16 bound for the tax, notwithstanding they may have sold or parted with it.

17 (2) Any taxpayer may list his or her property in person before the property valuation
18 administrator or his deputy, or may file a property tax return by first class mail. Any
19 real property correctly and completely described in the assessment record for the
20 previous year, or purchased during the preceding year and for which a value was
21 stated in the deed according to the provisions of KRS 382.135, may be considered
22 by the owner to be listed for the current year if no changes that could potentially
23 affect the assessed value have been made to the property. However, if requested in
24 writing by the property valuation administrator or by the department, any real
25 property owner shall submit a property tax return to verify existing information or
26 to provide additional information for assessment purposes. Any real property which
27 has been underassessed as a result of the owner intentionally failing to provide

1 information, or intentionally providing erroneous information, shall be subject to
2 revaluation, and the difference in value shall be assessed as omitted property under
3 the provisions of KRS 132.290.

4 (3) If the owner fails to list the property, the property valuation administrator shall
5 nevertheless assess it. The property valuation administrator may swear witnesses in
6 order to ascertain the person in whose name to make the list. The property valuation
7 administrator, his or her employee, or employees of the department may physically
8 inspect, or inspect using any other method approved by the department, and
9 revalue land and buildings in the absence of the property owner or resident. The
10 exterior dimensions of buildings may be measured and building photographs may
11 be taken; however, with the exception of buildings under construction or not yet
12 occupied, an interior inspection of residential and farm buildings, and of the
13 nonpublic portions of commercial buildings shall not be conducted in the absence
14 or without the permission of the owner or resident.

15 (4) Real property shall be assessed in the name of the owner, if ascertainable by the
16 property valuation administrator, otherwise in the name of the occupant, if
17 ascertainable, and otherwise to "unknown owner." The undivided real estate of any
18 deceased person may be assessed to the heirs or devisees of the person without
19 designating them by name.

20 (5) (a) Real property tax roll entries for which tax bills have not been collected at the
21 expiration of the one (1) year tolling period provided for in KRS 134.546, and
22 for which the property valuation administrator cannot physically locate and
23 identify the real property, shall be deleted from the tax roll and the assessment
24 shall be exonerated.

25 (b) The property valuation administrator shall keep a record of these exonerations,
26 which shall be open under the provisions of KRS 61.870 to 61.884.

27 (c) If, at any time, one of these entries is determined to represent a valid parcel of

1 property it shall be assessed as omitted property under the provisions of KRS
2 132.290.

3 (d) Notwithstanding other provisions of the Kentucky Revised Statutes to the
4 contrary, any loss of ad valorem tax revenue suffered by a taxing district due
5 to the exoneration of these uncollectable tax bills may be recovered through
6 an adjustment in the tax rate for the following year.

7 (6) All real property exempt from taxation by Section 170 of the Constitution shall be
8 listed with the property valuation administrator in the same manner and at the same
9 time as taxable real property. The property valuation administrator shall maintain an
10 inventory record of the tax-exempt property, but the property shall not be placed on
11 the tax rolls. A copy of this tax-exempt inventory shall be filed annually with the
12 department within thirty (30) days of the close of the listing period. This inventory
13 shall be in the form prescribed by the department. The department shall make an
14 annual report itemizing all exempt properties to the Governor and the Legislative
15 Research Commission within sixty (60) days of the close of the listing period.

16 (7) Each property valuation administrator, under the direction of the department, shall
17 review annually all real property listed with him or her under subsection (6) of this
18 section and claimed to be exempt from taxation by Section 170 of the Constitution.
19 The property valuation administrator shall place on the tax rolls all property that is
20 not exempt. Any property valuation administrator who fails to comply with this
21 subsection shall be subject to the penalties prescribed in KRS 132.990(2).

22 ➔Section 6. KRS 133.045 is amended to read as follows:

23 (1) The real property tax roll being prepared by the property valuation administrator for
24 the current year, shall be open for inspection in the property valuation
25 administrator's office for thirteen (13) days beginning on the first Monday in May of
26 each year and shall be open for inspection for six (6) days each week, one (1) of
27 which shall be Saturday. In case of necessity, the department may order a reasonable

1 extension of time for the inspection period of the tax roll or it may order that the
2 inspection period be at a different time than that provided in this section. However,
3 the final day of the inspection period shall not be Saturday, Sunday, or a legal
4 holiday.

5 (2) The property valuation administrator shall cause to be published once during the
6 week before the beginning of the inspection period, as provided in subsection (1) of
7 this section, in a display type advertisement, the following information:

- 8 (a) The fact that the real property tax roll is open for public inspection;
9 (b) The dates of the inspection period;
10 (c) The times available for public review of the real property tax roll;
11 (d) The fact that any taxpayer desiring to appeal an assessment shall first request a
12 conference with the property valuation administrator to be held prior to or
13 during the inspection period or completed during an extension granted
14 under Section 2 of this Act; and
15 (e) Instructions which provide details on the manner in which a taxpayer who has
16 had a conference with the property valuation administrator may file an appeal,
17 if he is aggrieved by an assessment made by the property valuation
18 administrator.

19 The cost of the notice shall be paid by the fiscal court of the county. The notice shall also
20 be posted at the courthouse door. Failure to publish or post notices when the inspection
21 period is at the regular time as provided in this section shall not invalidate assessments
22 made by the property valuation administrator and recorded on the tax roll prior to the
23 inspection period.

24 ➔Section 7. Whereas to allow property valuation administrators to potentially
25 take advantage of the provisions of this Act for this tax cycle, an emergency is declared to
26 exist and this Act takes effect upon its passage and approval by the Governor or upon its
27 otherwise becoming a law.