

1 AN ACT relating to providing funding for the office of the property valuation  
2 administrator and making an appropriation therefor.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO  
5 READ AS FOLLOWS:

6 *(1) Each taxing district that uses the county assessment, except for county fiscal*  
7 *courts, boards of education, and cities, shall annually appropriate and pay each*  
8 *fiscal year to the office of the property valuation administrator as its cost for use*  
9 *of the assessment an amount determined as follows:*

10 *(a) For the taxing district's fiscal year ending 2022, one-quarter of one percent*  
11 *(0.25%) of the tax revenues received;*

12 *(b) For taxing district's fiscal year ending 2023, one-half of one percent (0.5%)*  
13 *of the tax revenues received;*

14 *(c) For taxing district's fiscal year ending 2024, three-quarters of one percent*  
15 *(0.75%) of the tax revenues received; and*

16 *(d) For taxing district's fiscal year ending 2025, and every year thereafter, one*  
17 *percent (1%) of the tax revenues received.*

18 *(2) On January 1, 2023, and each January 1 thereafter, each property valuation*  
19 *administrator shall file a claim with the taxing districts in his or her county of*  
20 *jurisdiction for payment of the county assessment. By March 1, the taxing district*  
21 *shall remit payment to the property valuation administrator based upon the tax*  
22 *revenues received in the previous fiscal year at the rate specified by subsection (1)*  
23 *of this section.*

24 *(3) Moneys received by the property valuation administrator shall be used for deputy*  
25 *and other personnel allowance, supplies, maps and equipment, travel allowance*  
26 *for the property valuation administrator and his or her deputies and other*  
27 *authorized personnel, and other authorized expenses of the office. The property*

1       valuation administrator shall be required to account for all moneys paid to his or  
2       her office by the taxing districts. Any funds unexpended by the close of each  
3       fiscal year shall carry over to the next fiscal year.

4       ➔Section 2. KRS 132.590 is amended to read as follows:

5       (1) The compensation of the property valuation administrator shall be based on the  
6       schedule contained in subsection (2) of this section as modified by subsection (3) of  
7       this section. The compensation of the property valuation administrator shall be  
8       calculated by the Department of Revenue annually. Should a property valuation  
9       administrator for any reason vacate the office in any year during his or her term of  
10      office, he shall be paid only for the calendar days actually served during the year.

11      (2) The salary schedule for property valuation administrators provides for nine (9)  
12      levels of salary based upon the population of the county in the prior year as  
13      determined by the United States Department of Commerce, Bureau of the Census  
14      annual estimates. To implement the salary schedule, the department shall, by  
15      November 1 of each year, certify for each county the population group applicable to  
16      each county based on the most recent estimates of the United States Department of  
17      Commerce, Bureau of the Census. The salary schedule provides four (4) steps for  
18      yearly increments within each population group. Property valuation administrators  
19      shall be paid according to the first step within their population group for the first  
20      year or portion thereof they serve in office. Thereafter, each property valuation  
21      administrator, on January 1 of each subsequent year, shall be advanced  
22      automatically to the next step in the salary schedule until the maximum salary figure  
23      for the population group is reached. If the county population as certified by the  
24      department increases to a new group level, the property valuation administrator's  
25      salary shall be computed from the new group level at the beginning of the next year.  
26      A change in group level shall have no affect on the annual change in step. Prior to  
27      assuming office, any person who has previously served as a property valuation

1 administrator must certify to the Department of Revenue the total number of years,  
 2 not to exceed four (4) years, that the person has previously served in the office. The  
 3 department shall place the person in the proper step based upon a formula of one (1)  
 4 incremental step per full calendar year of service:

SALARY SCHEDULE

County Population	Steps and Salary			
by Group	for Property Valuation Administrators			
Group I	Step 1	Step 2	Step 3	Step 4
0-4,999	\$45,387	\$46,762	\$48,137	\$49,513
Group II	49,513	50,888	52,263	53,639
5,000-9,999	53,639	55,014	56,389	57,765
Group III	55,702	57,765	59,828	61,891
10,000-19,999	59,828	61,891	63,954	66,017
Group IV	61,891	64,641	67,392	70,143
20,000-29,999	66,017	68,768	71,518	74,269
Group V	68,080	71,518	74,957	78,395
30,000-44,999	72,206	75,644	79,083	82,521
Group VI				
45,000-59,999				
Group VII				
60,000-89,999				
Group VIII				
90,000-499,999				
Group IX				
500,000 and up				

26 (3) (a) For calendar year 2000, the salary schedule in subsection (2) of this section  
 27 shall be increased by the amount of increase in the annual consumer price

1 index as published by the United States Department of Commerce for the year  
2 ended December 31, 1999. This salary adjustment shall take effect on July 14,  
3 2000, and shall not be retroactive to the preceding January 1.

4 (b) For each calendar year beginning after December 31, 2000, upon publication  
5 of the annual consumer price index by the United States Department of  
6 Commerce, the annual rate of salary for the property valuation administrator  
7 shall be determined by applying the increase in the consumer price index to  
8 the salary in effect for the previous year. This salary determination shall be  
9 retroactive to the preceding January 1.

10 (c) In addition to the step increases based on service in office, each property  
11 valuation administrator shall be paid an annual incentive of six hundred  
12 eighty-seven dollars and sixty-seven cents (\$687.67) per calendar year for  
13 each forty (40) hour training unit successfully completed based on continuing  
14 service in that office and, except as provided in this subsection, completion of  
15 at least forty (40) hours of approved training in each subsequent calendar year.  
16 If a property valuation administrator fails without good cause, as determined  
17 by the commissioner of the Kentucky Department of Revenue, to obtain the  
18 minimum amount of approved training in any year, the officer shall lose all  
19 training incentives previously accumulated. No property valuation  
20 administrator shall receive more than one (1) training unit per calendar year  
21 nor more than four (4) incentive payments per calendar year. Each property  
22 valuation administrator shall be allowed to carry forward up to forty (40)  
23 hours of training credit into the following calendar year for the purpose of  
24 satisfying the minimum amount of training for that year. This amount shall be  
25 increased by the consumer price index adjustments prescribed in paragraphs  
26 (a) and (b) of this subsection. Each training unit shall be approved and  
27 certified by the Kentucky Department of Revenue. Each unit shall be available

1 to property valuation administrators in each office based on continuing service  
2 in that office. The Kentucky Department of Revenue shall promulgate  
3 administrative regulations in accordance with KRS Chapter 13A to establish  
4 guidelines for the approval and certification of training units.

5 (4) Notwithstanding any provision contained in this section, no property valuation  
6 administrator holding office on July 14, 2000, shall receive any reduction in salary  
7 or reduction in adjustment to salary otherwise allowable by the statutes in force on  
8 July 14, 2000.

9 (5) Deputy property valuation administrators and other authorized personnel may be  
10 advanced one (1) step in grade upon completion of twelve (12) months' continuous  
11 service. The Department of Revenue may make grade classification changes  
12 corresponding to any approved for department employees in comparable positions,  
13 so long as the changes do not violate the integrity of the classification system.  
14 Subject to availability of funds, the department may extend cost-of-living increases  
15 approved for department employees to deputy property valuation administrators and  
16 other authorized personnel, by advancement in grade.

17 (6) Beginning with the 1990-1992 biennium, the Department of Revenue shall prepare  
18 a biennial budget request for the staffing of property valuation administrators'  
19 offices. An equitable allocation of employee positions to each property valuation  
20 administrator's office in the state shall be made on the basis of comparative  
21 assessment work units. Assessment work units shall be determined from the most  
22 current objective information available from the United States Bureau of the Census  
23 and other similar sources of unbiased information. Beginning with the 1996-1998  
24 biennium, assessment work units shall be based on parcel count per employee. The  
25 total sum allowed by the state to any property valuation administrator's office as  
26 compensation for deputies, other authorized personnel, and for other authorized  
27 expenditures shall not exceed the amount fixed by the Department of Revenue.

1           However, each property valuation administrator's office shall be allowed as a  
2           minimum ~~the~~<sup>such</sup> funds that are required to meet the federal minimum wage  
3           requirements for two (2) full-time deputies.

4       (7) Beginning with the 1990-1992 biennium each property valuation administrator shall  
5           submit by June 1 of each year for the following fiscal year to the Department of  
6           Revenue a budget request for his or her office which shall be based upon the  
7           number of employee positions allocated to his or her office under subsection (6) of  
8           this section and upon the county and city funds available to his or her office and  
9           show the amount to be expended for deputy and other authorized personnel  
10          including employer's share of FICA and state retirement, and other authorized  
11          expenses of the office. The Department of Revenue shall return to each property  
12          valuation administrator, no later than July 1, an approved budget for the fiscal year.

13       (8) Each property valuation administrator may appoint any persons approved by the  
14          Department of Revenue to assist him in the discharge of his or her duties. Each  
15          deputy shall be more than twenty-one (21) years of age and may be removed at the  
16          pleasure of the property valuation administrator. The salaries of deputies and other  
17          authorized personnel shall be fixed by the property valuation administrator in  
18          accordance with the grade classification system established by the Department of  
19          Revenue and shall be subject to the approval of the Department of Revenue. The  
20          Personnel Cabinet shall provide advice and technical assistance to the Department  
21          of Revenue in the revision and updating of the personnel classification system,  
22          which shall be equitable in all respects to the personnel classification systems  
23          maintained for other state employees. Any deputy property valuation administrator  
24          employed or promoted to a higher position may be examined by the Department of  
25          Revenue in accordance with standards of the Personnel Cabinet, for the position to  
26          which he is being appointed or promoted. No state funds available to any property  
27          valuation administrator's office as compensation for deputies and other authorized

1 personnel or for other authorized expenditures shall be paid without authorization of  
 2 the Department of Revenue prior to the employment by the property valuation  
 3 administrator of deputies or other authorized personnel or the incurring of other  
 4 authorized expenditures.

5 (9) Each county fiscal court shall annually appropriate and pay each fiscal year to the  
 6 office of the property valuation administrator as its cost for use of the assessment, as  
 7 required by KRS 132.280, an amount determined as follows:

8 Assessment Subject to			
9 County Tax of:			
10 At Least	But Less Than	Amount	
11 ----	\$100,000,000	\$0.005 for each \$100 of the first	
		12 \$50,000,000 and \$0.002 for	
		13 each \$100 over \$50,000,000.	
14 \$100,000,000	150,000,000	\$0.004 for each \$100 of the first	
		15 \$100,000,000 and \$0.002 for	
		16 each \$100 over \$100,000,000.	
17 150,000,000	300,000,000	\$0.004 for each \$100 of the first	
		18 \$150,000,000 and \$0.003 for	
		19 each \$100 over \$150,000,000.	
20 300,000,000	----	\$0.004 for each \$100.	

21 (10) (a) The total sum to be paid by the fiscal court to any property valuation  
 22 administrator's office under the provisions of subsection (9) of this section  
 23 shall not exceed the limits set forth in the following table:

24 Assessed Value of Property Subject to			
25 County Tax of:			
26 At Least	But Less Than	Limit	
27 ----	\$700,000,000	\$25,000	

1	\$700,000,000	1,000,000,000	35,000
2	1,000,000,000	2,000,000,000	50,000
3	2,000,000,000	2,500,000,000	75,000
4	2,500,000,000	5,000,000,000	100,000
5	5,000,000,000	7,500,000,000	175,000
6	7,500,000,000	15,000,000,000	250,000
7	15,000,000,000	-----	400,000

8 This allowance shall be based on the assessment as of the previous January 1  
 9 and shall be used for deputy and other personnel allowance, supplies, maps  
 10 and equipment, travel allowance for the property valuation administrator and  
 11 his or her deputies and other authorized personnel, and other authorized  
 12 expenses of the office.

13 **(b) 1. Beginning January 1, 2022, the amounts set forth in the limit column**  
 14 **of the table specified in paragraph (a) of this subsection shall be**  
 15 **adjusted annually to incorporate the percentage change in the CPI.**

16 **2. For 2022, the calculated amount for each limit amount shall be**  
 17 **adjusted by multiplying each limit amount by the percentage change**  
 18 **in the CPI. For every year thereafter, the calculated amount for each**  
 19 **limit amount shall be the previous year's calculated limit amount**  
 20 **multiplied by the percentage change in the CPI.**

21 **3. As used in this paragraph:**

22 **a. "CPI" means the nonseasonally adjusted United States city**  
 23 **average of the Consumer Price Index for all urban consumers**  
 24 **for all items, as released by the federal Bureau of Labor**  
 25 **Statistics; and**

26 **b. "Percentage change in the CPI" means the percentage of**  
 27 **change in CPI from one (1) year to the next based on averaging**



1                   *the twelve (12) consecutive months of CPI data for each of the*  
2                   *two (2) immediately preceding calendar years and then using*  
3                   *those two (2) averages to calculate a year-over-year percentage*  
4                   *change.*

5       (11) Annually, after appropriation by the county of funds required of it by subsection (9)  
6       of this section, and no later than August 1, the property valuation administrator shall  
7       file a claim with the county for that amount of the appropriation specified in his *or*  
8       *her* approved budget for compensation of deputies and assistants, including  
9       employer's shares of FICA and state retirement, for the fiscal year. The amount so  
10      requested shall be paid by the county into the State Treasury by September 1, or  
11      paid to the property valuation administrator and be submitted to the State Treasury  
12      by September 1. These funds shall be expended by the Department of Revenue only  
13      for compensation of approved deputies and assistants and the employer's share of  
14      FICA and state retirement in the appropriating county. Any funds paid into the State  
15      Treasury in accordance with this provision but unexpended by the close of the fiscal  
16      year for which they were appropriated shall be returned to the county from which  
17      they were received.

18      (12) After submission to the State Treasury or to the property valuation administrator of  
19      the county funds budgeted for personnel compensation under subsection (11) of this  
20      section, the fiscal court shall pay the remainder of the county appropriation to the  
21      office of the property valuation administrator on a quarterly basis. Four (4) equal  
22      payments shall be made on or before September 1, December 1, March 1, and June  
23      1 respectively. Any unexpended county funds at the close of each fiscal year shall  
24      be retained by the property valuation administrator, except as provided in KRS  
25      132.601(2). During county election years the property valuation administrator shall  
26      not expend in excess of forty percent (40%) of the allowances available to his *or*  
27      *her* office from county funds during the first five (5) months of the fiscal year in

1 which the general election is held.

2 (13) The provisions of this section shall apply to urban-county governments and  
3 consolidated local governments. In an urban-county government and a consolidated  
4 local government, all the rights and obligations conferred on fiscal courts or  
5 consolidated local governments by the provisions of this section shall be exercised  
6 by the urban-county government or consolidated local government.

7 (14) When an urban-county form of government is established through merger of  
8 existing city and county governments as provided in KRS Chapter 67A or when a  
9 consolidated local government is established through merger of existing city and  
10 county governments as provided by KRS Chapter 67C, the annual county  
11 assessment shall be presumed to have been adopted as if the city had exercised the  
12 option to adopt as provided in KRS 132.285. For purposes of this subsection, the  
13 amount to be considered as the assessment for purposes of KRS 132.285 shall be  
14 the amount subject to taxation for full urban services.

15 (15) Notwithstanding the provisions of subsection (9) of this section, the amount  
16 appropriated and paid by each county fiscal court to the office of the property  
17 valuation administrator for 1996 and subsequent years shall be equal to the amount  
18 paid to the office of the property valuation administrator for 1995, or the amount  
19 required by the provisions of subsections (9) and (10) of this section, whichever is  
20 greater.

21 ➔Section 3. KRS 132.285 is amended to read as follows:

22 (1) (a) Except as provided in subsection (3) of this section, any city may by ordinance  
23 elect to use the annual county assessment for property situated within the city  
24 as a basis of ad valorem tax levies ordered or approved by the legislative body  
25 of the city.

26 (b) Any city making the election provided in paragraph (a) of this subsection shall  
27 notify the department and property valuation administrator prior to the next

1 succeeding assessment to be used for city levies. In such event the assessment  
2 finally determined for county tax purposes shall serve as a basis of all city  
3 levies for the fiscal year commencing on or after the county assessment date.

4 (c) **I.** Each city which elects to use the county assessment shall annually  
5 appropriate and pay each fiscal year to the office of the property  
6 valuation administrator for deputy and other authorized personnel  
7 allowance, supplies, maps and equipment, and other authorized expenses  
8 of the office one-half of one cent (\$0.005) for each one hundred dollars  
9 (\$100) of assessment, except that sums paid shall not be:

10 **a.**~~[1.]~~ Less than two hundred fifty dollars (\$250); or

11 **b.**~~[2.]~~ More than:

12 **i.**~~[a.]~~ Forty thousand dollars (\$40,000) in a city having an  
13 assessment subject to city tax of less than two billion dollars  
14 (\$2,000,000,000);

15 **ii.**~~[b.]~~ Fifty thousand dollars (\$50,000) in a city having an  
16 assessment subject to city tax of two billion dollars  
17 (\$2,000,000,000) or more, but less than three billion dollars  
18 (\$3,000,000,000);

19 **iii.**~~[c.]~~ Sixty thousand dollars (\$60,000) in a city having an  
20 assessment subject to city tax of three billion dollars  
21 (\$3,000,000,000) but less than six billion dollars  
22 (\$6,000,000,000); or

23 **iv.**~~[d.]~~ One hundred thousand dollars (\$100,000) in a city  
24 having an assessment subject to city tax of six billion dollars  
25 (\$6,000,000,000) or more.

26 **2. a. *Beginning January 1, 2022, the minimum and maximum limits***  
27 ***that cities could pay as specified in subdivisions a. and b. of***

1 subparagraph 1. of this paragraph shall be adjusted annually to  
 2 incorporate the percentage change in the CPI.

3 2. For 2022, the calculated amount for each limit amount shall be  
 4 adjusted by multiplying each limit amount by the percentage change  
 5 in the CPI. For every year thereafter, the calculated amount for each  
 6 limit amount shall be the previous year's calculated limit amount  
 7 multiplied by the percentage change in the CPI.

8 3. As used in this subparagraph:

9 a. "CPI" means the nonseasonally adjusted United States city  
 10 average of the Consumer Price Index for all urban consumers  
 11 for all items, as released by the federal Bureau of Labor  
 12 Statistics; and

13 b. "Percentage change in the CPI" means the percentage of  
 14 change in CPI from one year to the next based on averaging the  
 15 twelve (12) consecutive months of CPI data for each of the two  
 16 (2) immediately preceding calendar years and then using those  
 17 two (2) averages to calculate a year-over-year percentage  
 18 change.

- 19 (d) This allowance shall be based on the assessment as of the previous January 1.
- 20 (e) Each property valuation administrator shall file a claim with the city for the  
 21 county assessment, which shall include the recapitulation submitted to the city  
 22 pursuant to KRS 133.040(2).
- 23 (f) The city shall order payment in an amount not to exceed the appropriation  
 24 authorized by this section.
- 25 (g) The property valuation administrator shall be required to account for all  
 26 moneys paid to his or her office by the city and any funds unexpended by the  
 27 close of each fiscal year shall carry over to the next fiscal year.

- 1 (h) Notwithstanding any statutory provisions to the contrary, the assessment dates  
2 for the city shall conform to the corresponding dates for the county, and the  
3 city may by ordinance establish additional financial and tax procedures that  
4 will enable it effectively to adopt the county assessment.
- 5 (i) The legislative body of any city adopting the county assessment may fix the  
6 time for levying the city tax rate, due and delinquency dates for taxes, and any  
7 other dates that will enable it effectively to adopt the county assessment,  
8 notwithstanding any statutory provisions to the contrary.
- 9 (j) Any such city may, by ordinance, abolish any office connected with city  
10 assessment and equalization.
- 11 (k) Any city which elects to use the county assessment shall have access to the  
12 assessment records as soon as completed and may obtain a copy of that  
13 portion of the records which represents the assessment of property within the  
14 city by additional payment of the cost thereof.
- 15 (l) Once any city elects to use the county assessment, that action cannot be  
16 revoked without notice to the department and the property valuation  
17 administrator six (6) months prior to the next date as of which property is  
18 assessed for state and county taxes.
- 19 (2) In the event any omitted property is assessed by the property valuation administrator  
20 as provided by KRS 132.310, the assessment shall be considered as part of the  
21 assessment adopted by the city according to subsection (1) of this section.
- 22 (3) For purposes of the levy and collection of ad valorem taxes on motor vehicles, cities  
23 shall use the assessment required to be made pursuant to KRS 132.487(5).
- 24 (4) Notwithstanding the provisions of subsection (1) of this section, each city which  
25 elects to use the county assessment for ad valorem taxes levied for 1996 or  
26 subsequent years, and which used the county assessment for ad valorem taxes levied  
27 for 1995, shall appropriate and pay to the office of the property valuation

1 administrator for the purposes set out in subsection (1) of this section an amount  
2 equal to the amount paid to the office of the property valuation administrator in  
3 1995, or the amount required by the provisions of subsection (1) of this section,  
4 whichever is greater.