

RESEARCH MEMORANDUM NO. 413

ACCURACY AND COMPLETENESS OF
STATE-OWNED LAND RECORD SYSTEMS

Prepared by
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Legislative Research Commission

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M E M O R A N D U M

TO: Committee for Program Review
and Investigation

FROM: Joseph F. Fiala *J.F.*

DATE: January 9, 1981

SUBJECT: Questions Pertaining to the Recording,
Management and Disposal of State-Owned Land

Budget hearings of the 1980 General Assembly raised serious concerns about the size of state government, the extent of its assets, the management of these assets and the need for these assets. At the suggestion of several legislators, this informational study was conducted to provide the Committee with information on which to base a decision for authorizing a preliminary review of one or more of these areas.

The largest group of fixed assets owned by the state is its land and buildings. Land and buildings can be acquired by the state for many purposes and in many ways. The Commonwealth has land holdings in every county of Kentucky. In some cases this is in the form of highway right of ways; in other cases, it is land purchased or donated for the operations of a particular agency. In an era demanding austere fiscal behavior it is appropriate to review the necessity for maintaining each asset.

Knowing the land and buildings owned is a prerequisite for reviewing the necessity of owning them. Therefore, this informational study concentrated available staff time on addressing two issues:

- Does the state have a complete record of the land it owns? and,
- Is this record of land accurate?

Certain other questions regarding the economic impact, management and procedures for the sale and lease of land are addressed briefly in a descriptive form.

Findings of this study indicate the state does not have a complete and accurate record of the land it owns. Therefore, further study of these questions does not seem advisable at this time. However, the importance of developing a complete, accurate inventory should be emphasized to the agencies. Through a cooperative effort of these persons a system could be developed to update and to maintain a complete and accurate record.

JF:jcp

Attachment

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SUMMARY

This informational study was conducted to provide the Committee for Program Review and Investigation with information concerning the recording, management and procedures relating to state-owned land. The purpose was to present the Committee with sufficient information upon which to decide the need or feasibility of a more in-depth study.

The major findings of this study pertain to the record-keeping systems for state-owned land. It was found that:

- The state does not have a complete and accurate, centralized record of the land it owns;
- The Secretary of State does not have all original deeds or judgments vesting interest in land to the state as required by Kentucky statutes;
- County clerks are not complying with their statutory requirements to forward these deeds and judgments to the Secretary of State;
- The Department of Finance inventory lacks necessary procedures to ensure its accuracy and completeness; and,
- Property valuation administrators are not maintaining up-to-date records on tax exempt property.

Two procedures for updating and maintaining accurate records of state-owned land are proposed which will not necessitate legislative change. What is required is the establishment of cooperative procedures between the Secretary of State, the Department of Finance, the county clerks and the property valuation administrators regarding the timing and exchange of information about state-owned land. Each group maintains an independent listing of property which, if shared with the others, would provide needed control points for the verification of the current state-owned land record systems.

Some issues have been uncovered which may require legislative attention. These are:

- Should the Secretary of State maintain records of all deeds and judgments vesting interest in land to the state including right of way deeds?
- Should the Secretary of State maintain records of all sales or transfers of state-owned land?
- Should property valuation administrators submit an annual report of all tax exempt properties?

INTRODUCTION

Real property represents a source of income and investment, not only for private owners, but also for state, county and city governments. Government ownership of land, however, can have two negative economic effects. It precludes private ownership and its benefits for the individual, and reduces property tax revenues for local and state governments. In other cases government ownership can have a positive impact on the economy. For example, a park or recreation area may increase adjacent property values and be a positive influence on economic activity in an area.

The Commonwealth has the right to acquire, by condemnation if necessary, any property needed to serve the public good [KRS 56.463(5)]. Due to the breadth of this power and the subjective aspects of determining public need, it is important to ensure that this power is not misused. Misuse occurs when:

- land is acquired that is not needed;
- land is held beyond the time it is needed; or
- land is not properly managed or maintained.

It is the responsibility of the General Assembly and the Governor to ensure that property is used and maintained in the best interests of the citizens. During the budget hearings of the 1980 General Assembly, concerns were raised about how misuse is controlled. Questions asked included:

- Does a complete record of state-owned real property exist?
- Is this record of land accurate?
- How are state lands managed on a day-to-day basis?
- Are lands being held which could be leased or sold back to the private sector?
- Does the state have an effective system for selling or leasing land to the private sector, or for transferring to other governmental agencies?
- What is the economic impact to the Commonwealth of land unnecessarily owned by the state?

In order to provide the Committee for Program Review and Investigation with sufficient data to judge the feasibility of studying one or more of these questions, an informational study was undertaken. Statutes and regulations were reviewed to determine the lines of authority and responsibility for the purchase, management and sale of real property. Interviews were conducted with property officials of the Secretary of State's Office, the Department of Finance, the Department of Transportation, the Department of Natural Resources, and the Department of Parks to determine their perceptions of the real property system. Finally, deed records in four counties were reviewed to determine the accuracy of the Department of Finance real property inventory and the Secretary of State's ownership records.

The attached research memorandum reports the results of this informational study, recommendations related to these findings, and a summary of Committee hearings regarding these findings and recommendations. The first section discusses the findings and recommendations regarding the existence of a complete record of state-owned land. The second section presents the findings related to the remaining questions addressed. Committee hearings and testimony by agency representatives regarding the lack of a complete state land record are presented in the third section. Included in the conclusion is a description of the actions instituted by these various agencies pursuant to the Committee hearings and some legislative issues to be considered.

RECORDS OF STATE-OWNED LAND

Five questions were addressed by this informational study, the first two--Does the state have a complete record of the land it owns? and, Is this record accurate?--were seen as essential to any study involving the other questions regarding management, retention and procedures. Therefore, it was decided to concentrate more staff efforts on answering these first questions.

This chapter will discuss:

- How does the state account for its fixed assets including land?
- Who is responsible for maintaining records of state-owned land?

- How complete and accurate are the records of state-owned land? and,
- What can be done to update and maintain complete and accurate records of state-owned land?

Accounting for Fixed Assets

Neither the Commonwealth nor its administrative agencies have an accounting system for fixed assets (see Appendix A for an overview of the state's accounting method). The only formal method in use to account for fixed assets is a centralized inventory system maintained by the Department of Finance. This is not a self-balancing set of accounts, but it does contain some of the recommended data for a subsidiary ledger. The data contained in the inventory includes: a building identification number, location, size, date acquired, present value, and cost.

Only one fund, the capital construction fund, reports fixed assets. These are reported in a detailed schedule labeled "Capital Construction Fund Statement of Project" which reports the status of projects carried into or begun in the fiscal year under report.

Responsibility for Maintaining Records of State-Owned Land

Direct statutory responsibility for the maintenance of state-owned land records is vested in the Secretary of State. The form in which these records are to be maintained are outlined within the statutes. Implied responsibility is given to the Department of Finance as a necessary function in performing its administrative duties pertaining to the state's land holdings. In addition, statutory requirements for reporting and recording state-owned land are found for county clerks and property valuation administrators.

Secretary of State. Under KRS 56.020(1), the Secretary of state is required to maintain custody of all records, judgments, deeds, maps and abstracts of title of land or buildings owned or used for governmental purposes by the state with the exception of highway right of way deeds for state or federal roads. According to KRS 56.060, each county clerk is required to submit to the Secretary of State a copy of all deeds and judgments vesting in the state any land or interest in land.

The Secretary of State is to maintain the originals of these deeds and index them by county and by agency [KRS 56.020(2)]. Absent from these statutes is a requirement that the Secretary of State be notified by county clerks of all land sales involving the Commonwealth. Furthermore, there is no statutory requirement for the Secretary of State to maintain records regarding sales.

Department of Finance. Primary administrative responsibility for the purchase, sale, lease and management of state-owned land is vested in the Department of Finance (KRS 56.462 through KRS 56.510) and includes responsibility to:

- maintain records and perform functions necessary to fulfill administrative responsibilities related to real property as contained in KRS Chapter 56;
- determine the needs and demands of state agencies for real property;
- purchase all real property except highway right of ways;
- sell or dispose of all real property except highway right of ways;
- control the use of all state property;
- acquire property by condemnation that cannot be acquired by negotiation; and
- authorize the lease of state-owned property.

Absent from these statutes is a specific requirement that the Department of Finance maintain an accurate inventory of real property. Furthermore, no annual or biennial report is required concerning the acquisition, dispersal or current status of real property holdings of the state and its agencies.

County Clerks. As stated earlier, county clerks are required to report all deeds and judgments conveying to or vesting in the state any land or interest in land lying within their counties (KRS 56.060). In addition, county clerks are required to endorse the deed with the book, page and county where recorded. This deed and the clerk's certificate of record are then to be transmitted immediately to the Secretary of State.

Property Valuation Administrators. Under KRS 132.220(5), property valuation administrators are required to list all tax exempt real property "in the same manner and at the same time as taxable property." The PVA is required to maintain an inventory of tax exempt property and to review this property annually.

Current Land Record Systems

Under Kentucky Revised Statutes, three state agencies have responsibility for maintaining records on state-owned land. These are the Secretary of State, Department of Finance and local property valuation administrators.

Secretary of State's Land Record System. The Secretary of State's Office is to receive from the county clerks a copy of all land transactions involving the Commonwealth, except Department of Transportation right of way deeds. Records are maintained by the Secretary of State and indexed in ledger form by county, by administrative agency and by grantor. Copies of original documents are maintained in files in the Secretary of State's vault.

According to the Secretary of State's Land Office supervisor, county clerks have not routinely forwarded copies of state land transactions to the Secretary of State. Additionally, the Secretary of State's Office has not been informed of sales or transfers. In recent months the Department of Finance has been submitting copies of land purchase documents to the Secretary's Office.

Department of Finance Inventory System. Records to be kept by the Department of Finance are specified only as those necessary to accomplish the purposes of Chapter 56 of the Kentucky Revised Statutes governing state real property. In the late 1960's, the Department of Finance began a computerized inventory of buildings and of lands owned by the state. Until this time, agencies handled the acquisition and disposal of fixed assets themselves. The Department of Finance was notified of an agency purchase, given a description, and a purchase price. However, controls were not present to ensure the notification and recording of all transactions. Under the current system, the Department of Finance handles the actual acquisition and occasionally the disposition of land, and maintains both the central inventory system as well as a property file with copies of titles and deeds.

According to the Department of Finance the current centralized inventory is not complete. Certain property has been excluded because it is not considered a liquifiable asset of the state or an asset related to the operations of the agency. This includes:

- dams owned by various agencies;
- reclamation lands of the Division of Orphan Lands in the Department for Natural Resources; and
- lands leased to other agencies or the private sector.

In addition, Department of Transportation lands for right of ways and for departmental operations are recorded in a manual inventory system maintained by the Department of Transportation and are not included in the Department of Finance Inventory.

Although the exclusion of the above lands hinders using the Department of Finance inventory as a complete record of state-owned lands other more serious problems exist. The Department of Finance believes other land may be omitted or information may be inaccurate due to the length of time land has been owned or because of multiple transfers of ownership or agency reorganizations. In addition, the verification method used periodically to review and update this inventory contributes to its inaccuracy and incompleteness. First, if property is not clearly assigned to an individual agency, no one has the responsibility to ensure that it is recorded. Secondly, the Department of Finance is responsible for maintaining the inventory list, but individual agencies are responsible for ensuring its accuracy.

Agencies are sent a copy of the inventory each year and asked to review it for completeness and accuracy. Finance assumes the agency has its own accurate inventory of its fixed assets. Unfortunately, preliminary research indicates that agencies:

- do not generally assign review and verification responsibility to qualified staff persons;
- often use the Finance inventory to verify their own internal records; and
- tend to accept certain of the data, e.g., cost and present value, as being established through a rational formula by the Department of Finance.

It appears that neither the agencies nor the Department of Finance clearly understand who establishes, and how they establish, the cost and present values of the fixed assets. Both parties assume that the other has a method for doing this. A vicious circle exists with each party assuming the other's records are accurate and each using the other's to verify their own records.

Problems also exist in other data included in the inventory. Location is described ambiguously or broadly, often without using actual facility names or specific street addresses. This makes the identification of specific fixed assets difficult. The size value reported for buildings is two dimensional, length and width, excluding height or the number of floors. Cost estimates are often only that proportion of the cost easiest identifiable. The basis for present value is often unknown, since the Department of Finance has no specific guidelines for the establishment of this value. Many of the state's fixed assets have not been professionally appraised since the inventory was established.

Property Valuation Administrators' State-Owned Land Records. Records of state-owned land are to be kept by the property valuation administrators (PVA's) in each county. PVA's are required under Kentucky statutes to maintain a list of all tax exempt property.

According to the Department of Revenue, which supervises the PVA system, maintenance of these tax exempt lists is not given high priority by local PVA's. These properties do not represent a source of income for the PVA, nor is there any requirement to report this information to the state.

Which county PVA records are accurate or up-to-date is not specifically known, but the Department of Revenue estimates that only nine of one hundred and twenty counties is likely to have excellent records, and only sixty-one of the remaining one hundred and eleven may have good records. Some one hundred and four counties have been mapped through a mapping project of the Department of Revenue. Upon completion of the county's project, the PVA is given an updated listing of all taxable and tax exempt property. Apparently, PVAs in only seventy of these counties have attempted to maintain current tax exempt records since conclusion of their mapping project.

Accuracy of Current Land Record Systems

The Department of Finance inventory of state-owned land indicates FY 1980 holdings of 145,884 acres costing approximately \$89 million and presently valued at almost \$178 million (see Table 1). To assess the accuracy of these records and those maintained by the Secretary of State, land records in four counties were reviewed. These counties were Marion, Casey, Boyle and Floyd. Even from this small sample of four counties it is apparent that the land records maintained by the Secretary of State and the Department of Finance are inaccurate.

Number of Deeds Recorded. Table 2 indicates the number of deeds recorded in the records of these two agencies and the actual number of deeds found in the county clerk's offices of the four counties. Omitted deeds were dated as early as 1824 and as recent as 1979. They were found for several agencies and included transferred lands as well as single agency holdings. It is apparent that within this sample of counties, neither record system identifies all lands owned.

Accuracy of Size and Cost Data. Table 3 compares the acreage and cost values in the Department of Finance inventory to those obtained from the deed search. Findings indicate that acreage for the property in four counties is under-recorded by 149.34 acres, or fifteen percent; the cost of inventoried property is under-recorded by \$111,740.75.

The omissions in the Department of Finance inventory are further illustrated in Table 4. Twenty pieces of property amounting to 314.36 acres are missing from the real property inventory for the sample of four counties.

Proposals for Updating and Maintaining Records

Two systems are recommended by the staff to the committee and agency representatives for their discussion. These systems are viewed as possible ways for updating and maintaining land records within the current statutory requirements. The system in Figure 1 could be used to update records while the system in Figure 2 could be used for maintaining these records.

TABLE 1
DEPARTMENT OF FINANCE LAND INVENTORY,
SUMMARY, BY AGENCY, FY 1980

ADMINISTRATIVE AGENCY	LAND		PRESENT VALUE ^a
	TOTAL ACRES	COST	
Child Welfare	413.09	\$ 274,541	\$ 837,596
Commissions	35.88	22,077	51,251
Corrections	7,441.85	1,358,419	4,440,992
Eastern Kentucky University	3,831.11	2,590,796	5,469,507
Economic Security	61.07	2,180,175	3,964,870
Education	733.66	3,837,819	5,317,816
Energy Research Center	129.70	199,400	199,400
Finance	1,196.02	4,390,230	6,889,449
Fish and Wildlife	46,363.67	7,642,116	12,596,754
Human Resources	79.67	500,000	576,060
Kentucky Historical Society	0	0	0
Kentucky State University	318.07	403,807	403,807
Mental Health	1,857.00	2,930,993	4,200,565
Military Affairs	338.93	347,197	1,271,292
Mines and Minerals	0	0	0
Morehead State University	860.28	1,696,697	2,638,085
Murray State University	931.39	1,893,157	5,458,110
Natural Resources	33,380.45	1,646,260	3,529,040
Northern Kentucky State University	290.46	789,917	2,581,870
Parks	23,183.41	11,461,185	29,415,608
Public Safety	48.36	401,551	673,200
State Fair Board	409.25	16,146,059	17,308,060
Transportation	N/A	N/A	N/A
University of Kentucky	22,345.82	11,236,566	41,489,533
University of Louisville	640.42	15,976,238	23,251,090
Western Kentucky University	994.43	1,473,912	5,348,791
	<u>145,883.99</u>	<u>\$89,399,113</u>	<u>\$177,912,746</u>

SOURCE: Department of Finance, Division of Property's Real Property Summary, 2/1/80.

N/A : Not available; Department of Transportation utilizes separate inventory without this data.

^a: Present values have not been established under consistent guidelines between agencies.

TABLE 2

COMPARISON OF DEPARTMENT OF FINANCE
AND SECRETARY OF STATE DEED RECORDS
TO COUNTY CLERK RECORDS

SOURCE OF DEED	COUNTIES				TOTAL
	MARION	CASEY	BOYLE	FLOYD	
Dept. of Finance	0	0	17	13	30
Secretary of State ^a	1	1	41	9	52
County Deed Records ^b					
DOT excluded	1	0	41	21	63
County Deed Records DOT included	1,003	563	810	2,449	4,825

SOURCE: Compiled by author.

^a: Excludes Department of Transportation property.

^b: Property sold has been excluded from this count.

TABLE 3
COMPARISON OF DEPARTMENT OF FINANCE INVENTORY
TO COUNTY CLERK DEED RECORDS

COUNTY	ACREAGE RECORDED		COST RECORDED		NUMBER OF AGENCIES	
	FINANCE INVENTORY	CLERK RECORDS	FINANCE INVENTORY	CLERK RECORDS	FINANCE INVENTORY	CLERK RECORDS
Marion	0	36	\$ 0	2.00	0	1
Casey	0	0	0	0.00	0	0
Boyle	816.9	838.49	710,195.50	758,297.25	6	7
Floyd	55.12	146.87	458,541.00	522,178.00	5	7
TOTAL	872.02	1,021.36	\$1,168,736.50	\$1,280.477.25	11	15

SOURCE: Compiled by author.

TABLE 4
ACREAGE AND COST OF LAND NOT RECORDED
IN DEPARTMENT OF FINANCE INVENTORY

COUNTY	NUMBER OF DEEDS	ACREAGE	COST
Marion	1	36.00 ^b	2.00
Casey	0	.00	.00
Boyle	23 ^a	182.43	70,847.75
Floyd	8	95.93 ^c	63,637.00 ^c
TOTAL	32	314.36	134,486.75

SOURCE: Compiled by author.

- a: Excludes one building deed.
- b: This 36 acres was deeded twice to the state; it is recorded in land leased out but not land owned.
- c: Includes a boat dock containing .0 acres for a cost of \$35,000, which is recorded in land leased out but not owned.

PROPOSED SYSTEM FOR UPDATING
STATE-OWNED PROPERTY RECORDS

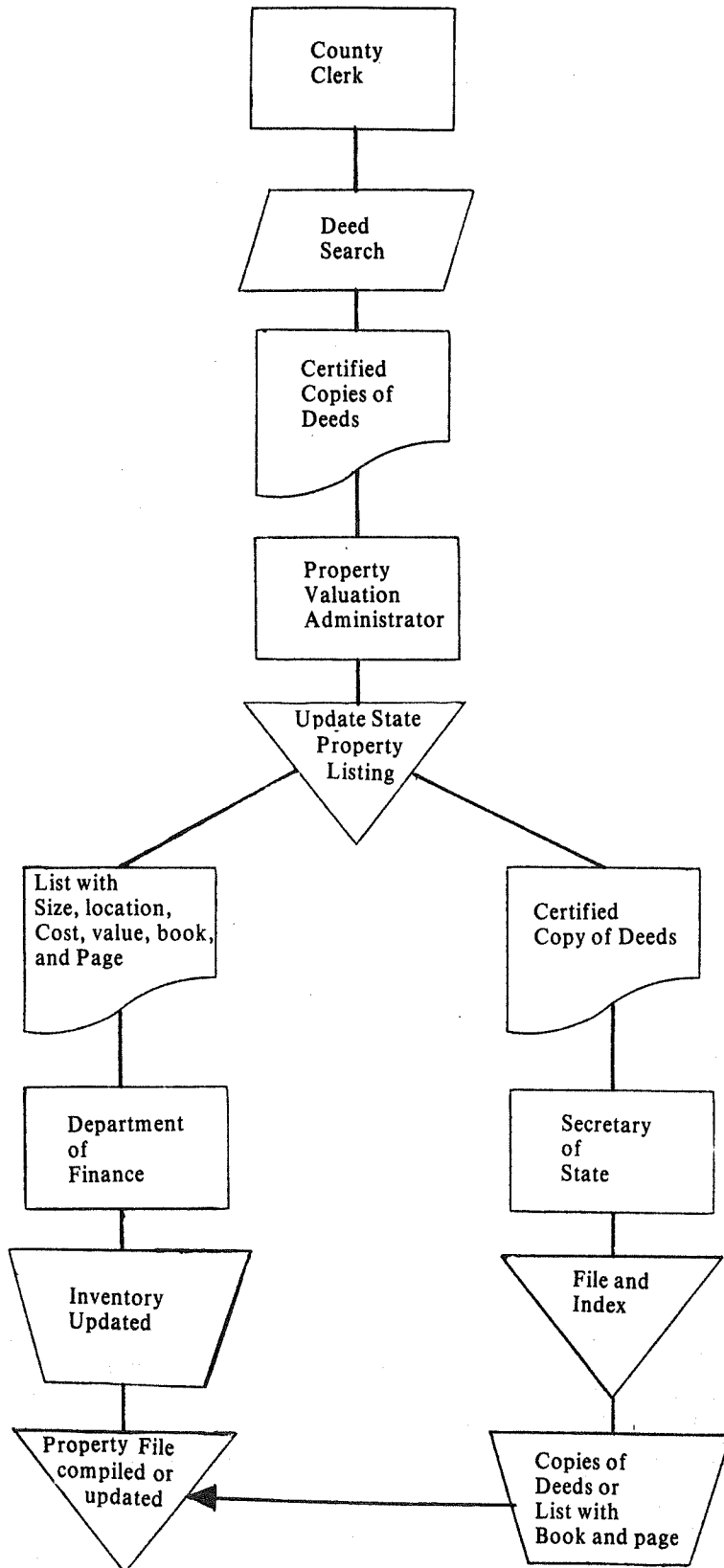
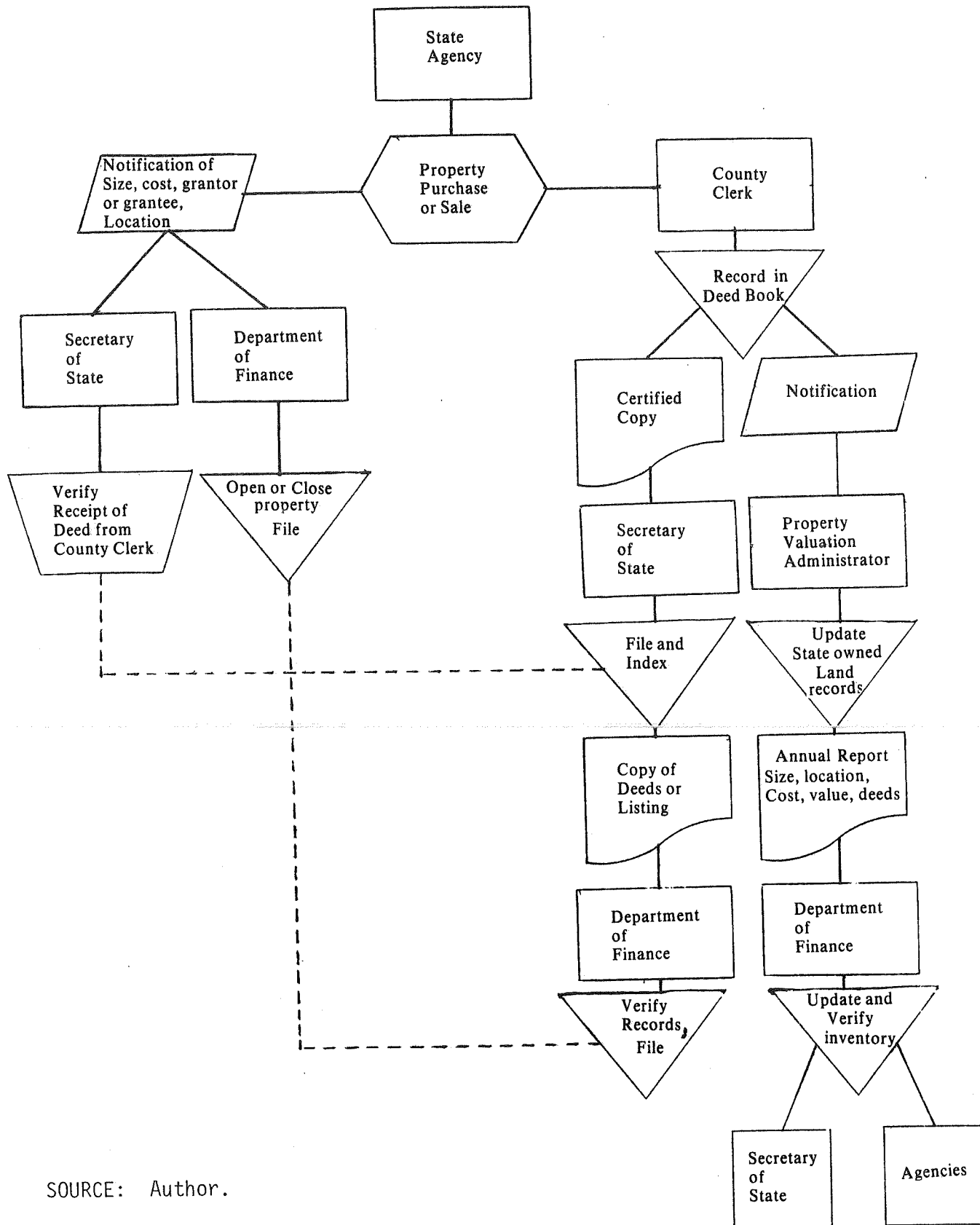


FIGURE 2
 PROPOSED SYSTEM FOR MAINTAINING
 STATE OWNED PROPERTY RECORDS



SOURCE: Author.

Recommendation for Updating Records of State-Owned Land. Within the framework of existing statutory requirements, an updating procedure such as the one proposed in Figure 1 could be realized through agency initiative. It will require cooperation in the establishment of operating procedures outlining the information to be exchanged, the time for this exchange and the form of the exchanged information. Establishing this system will have the secondary effect of bringing both the PVA's and the county clerks into compliance with their statutory requirements.

Recommendation for Maintaining Records of State-Owned Land. The maintenance system in Figure 2 could also be achieved within the current statutory framework. As in the update system, the maintenance system could be achieved through a cooperative effort by those involved and the establishment of internal operating procedures.

Essential Features to be Considered. In considering the adoption of these approaches or any others, three considerations seem important:

- Can the system be accomplished under the current statutes?
- Does the system provide the necessary control points to allow each agency to verify the accuracy of its records?
- Does the system provide the management data necessary to ensure that all parties remain in statutory compliance?

MANAGEMENT, RETENTION AND DISPOSAL OF STATE-OWNED LAND

Four additional questions were addressed by this informational study.

- How are state lands managed on a day-to-day basis?
- Is the state retaining land purchased for projects which have been cancelled?
- Does the state have an effective system for selling or leasing land to the private sector or for transferring land to other government agencies?
- What is the economic cost to the Commonwealth of land unnecessarily owned by the state?

All of these questions, except the question regarding day-to-day management, require accurate information about state land holdings. As concluded, this information is not currently available. Therefore, the answers to these questions will be descriptive rather than analytical in nature.

Management of State-Owned Land

According to the supervisor of the former Division of Property Planning in the Department of Finance, day-to-day management of state-owned land is the responsibility of the agency that has administrative control of that property. The Division of Facilities Management in the Department of Finance will provide consultation and maintenance (other than routine housekeeping) upon an agency's request; however, this Division is not responsible for day-to-day maintenance.

Retention of Unneeded State-Owned Land

To adequately answer this question it is necessary to know what lands the state owns and the reasons these lands were acquired. The first requirement cannot be met since the state does not have a complete record of the land it owns. The second requirement also cannot be met. When deeds are recorded the reason for purchase, except in the case of Department of Transportation right of way deeds, is not indicated. It might be possible, if all land was known, to determine its current use. A subjective judgment would then be necessary to decide whether this land is necessary for this use and the activities of the current administrative agency.

In discussing excess state property, right of way land is most often cited as an example. The Department of Transportation does have an inventory of surplus right of way lands for completed highway projects. However, it does not currently have an inventory of lands purchased for highway projects which have been cancelled.

Procedures for Selling and Leasing State-Owned Land

It was not within the scope of this informational study to determine the effectiveness of the system for selling or leasing land. Rather, the purpose was to describe and to identify possible problem areas within these systems.

The Department of Finance has procedures and policies regarding the return, transfer and lease of "surplus" property. However, there does not appear to be a procedure periodically used for reviewing or determining if property is surplus. Actions taken are usually at the initiative of the agency with administrative control of the land or as a result of a request by another agency or private individual. If an inquiry is made, the agency that owns it must declare the land as "surplus" before the Department of Finance can decide to transfer, sell or lease it.

The lack of a routine review procedure and the incompleteness of the inventory records indicate a weak management system. This system could create conditions which would allow the existence of "surplus" lands.

Economic Cost of Unneeded State-Owned Land

To address this question adequately would require an accurate list of state-owned property, a determination of "unnecessary" property, and an estimate of the current value and potential uses of this land. Accurate estimates of current values do not exist mainly because state property is not periodically appraised. The origin and reliability of the current values listed in the Department of Finance inventory are difficult to determine without such a standard and periodic review.

PROGRAM REVIEW AND INVESTIGATION

COMMITTEE HEARINGS

On July 29, 1980, a verbal presentation of the findings in this report were presented to the Committee for Program Review and Investigation. After listening to these findings the Committee expressed its frustration over a very common problem in state government: poor recordkeeping. The importance of keeping accurate and up-to-date records was underscored by the Committee. Concern was expressed that there might be a sizable amount of state-owned land which was not being used by the state and which could be sold to the private sector. The Committee felt it important that the agencies and groups involved be made aware of the Committee's concern. Therefore, rather than study the matter further, the Committee preferred to discuss the findings with representatives of the agencies and groups involved.

The Committee scheduled a second meeting for August 27, 1980. In attendance, at the request of the Committee, were: Robert Allphin, Commissioner of Revenue; George Atkins, Secretary of Finance; Mel Smithers, Executive Director for Planning, Department of Transportation; Dr. Eugene Harrell, Acting Secretary of State and Supervisor of the Secretary of State's Land Office; and David Logsdon, President of the Kentucky County Clerks Association.

The objectives of this meeting were to determine:

- why county clerks and PVAs were not complying with their statutory requirements related to state deeds and tax exempt property records;
- why the Secretary of State's office and the Department of Finance do not have accurate records;
- what the Secretary of State's office and the Department of Finance intend to do to upgrade their records;
- what can be done to bring the county clerks and PVAs into compliance; and
- what is the Department of Transportation doing to identify and sell excess land.

Testimony by Agency and Group Representatives

Representatives of each agency and group were in attendance as requested. Both the Department of Transportation and the Secretary of State submitted written as well as verbal responses (see Appendix B). Reported here is a summary of the remarks made to the Committee.

Robert Allphin, Commissioner, Department of Revenue. Commissioner Allphin opened his remarks by stating his support for the Committee's concerns and actions. He further expressed a desire to work with the Committee in developing an accurate record system.

Commissioner Allphin described to the Committee his impressions of the tax exempt records of the PVAs. For the past several years the Department of Revenue has been conducting a statewide mapping program of principal lands and buildings in each county. Thus far, ninety counties have been mapped by the Department of Revenue, five by private companies, nine are in the process of mapping, and sixteen are unmapped. At the completion of a mapping project the PVA is presented with aerial maps of the county and descriptive records on all taxable and exempt properties. Maintenance of these records then becomes the responsibility of the PVA.

Commissioner Allphin stated that it appeared many PVAs were not updating tax exempt records by recording additions, changes or transfers. He indicated that, in those counties which have been mapped, it should not be difficult for the PVA to update his records. In counties as yet unmapped, the task would be much more difficult.

Commissioner Allphin remarked that the proposed systems for updating and maintaining state land records seemed feasible. He did not believe an annual report of tax exempt property would be difficult to compile by a PVA with an efficient and up-to-date recording system. He also indicated it would be in the best interests of the Commonwealth to have an annual report for all tax exempt lands not just state-owned. This report would be invaluable to the state in determining the impact of this land on the state's property tax revenues.

George Atkins, Secretary, Department of Finance. Secretary Atkins prefaced his responses by acknowledging the appropriateness and importance of obtaining accurate accounting of state land. He did indicate that some legislative attention might be necessary in determining if the current requirements affecting the county clerks and Secretary of State were the best mechanism for assuring accurate records.

According to Secretary Atkins, it is the concern of his office and of Governor Brown that the state develop an accurate accounting system for state land. He reassured the Committee that actions were underway to comply with the General Assembly's 1980 mandate to bring the state's accounting system into compliance with generally accepted accounting procedures.

Secretary Atkins saw the state's current cash accounting method as contributing to the poor land records. Since fixed assets are not accounted for in this system, their accounting has not been of high priority. Fixed assets are not required for a balance sheet. Finally, the need to know the total assets may not have presented itself as a serious management problem in the past.

Activities are underway in the Department of Finance to establish an accurate inventory. The old separate inventory systems for buildings and lands are being merged into a newly developed system providing more extensive descriptive data on the property and its use. This system is being designed in conjunction with a new system in the Department of Transportation to allow integration when needed. Questionnaires have been sent to all agencies concerning the land they own and its current use.

Secretary Atkins stated that the Department of Finance has a plan to update the inventory records by a statewide deed search. He thought that maintenance of this system could be easily accomplished through a system such as the one proposed in this report. Secretary Atkins stated that the yearly report of state-owned land from the PVAs would be of great benefit in maintaining the accuracy of records.

Secretary Atkins did express his concern that having deeds sent to the Secretary of State might not be the most efficient mechanism. He urged the Committee to consider modifying the statutes to have deeds sent to the Department of Finance since all property purchases and sales, other than right of ways, is now centralized in that agency.

In response to questions from the Committee concerning the current inventory and knowledge of state land, Secretary Atkins felt certain someone in the agencies knew what land they owned. Since it has not been given high priority in the past, agencies have not been conscientious in ensuring the accuracy of the inventory. According to Secretary Atkins, the primary problem with the current inventory is not knowing the extent of its inaccuracy. He assured the Committee of his intentions to commit the resources necessary to develop

and maintain an accurate inventory. Finally, he welcomed any help or suggestions the Committee might have.

Mel Smithers, Executive Director for Planning, Department of Transportation. Mr. Smithers attended the meeting in place of Transportation Secretary, Frank Metts. He presented to the Committee both a verbal and written response (see Appendix B).

Mr. Smithers described four types of properties owned by the Department of Transportation. These are:

- right of way property attached to existing highways and roads;
- excess right of way properties representing landlocked or valueless property resulting from the construction of a road or highway;
- real property purchased for non-highway use by the Department of Transportation; and
- anticipated right of way properties purchased for proposed highways or roads not now under construction.

According to Mr. Smithers, no inventory of right of way properties for constructed highways exists. He indicated to do this would be a monumental task having no real benefit.

Excess right of way properties are inventoried. According to Mr. Smithers, the Department is making an effort to dispose of these lands and in FY 1980 forty-four parcels were sold for a total of \$265,000.

Real property used for Departmental operations is inventoried. Activities are underway to update this inventory to ensure its accuracy.

No inventory has existed in the past for anticipated right of way property. However, Secretary Metts has directed his department to analyze all anticipated projects, to determine those that will be constructed, and to inventory the lands purchased for projects that will not be constructed. Mr. Smithers stated that the inventory was a priority item of the Secretary's and should be finalized by the end of this calendar year. Furthermore, Mr. Smithers indicated that Secretary Metts has the intention of disposing of any lands purchased in anticipation of a highway project which will not be completed.

The Committee reacted favorably to Mr. Smithers' description of the Department's actions to identify unneeded land. To underscore the importance of following through on this process, the Committee urged the Department of Transportation to be as diligent and persistent in selling excess or surplus lands as it appears to be in purchasing right of way lands. Furthermore, the Committee passed a unanimous motion requesting the Department of Transportation to provide the Committee with a plan of action regarding the sale of excess or surplus lands. This plan was to include a listing of all properties to be sold and a timetable for their sale. Mr. Smithers agreed to supply the Committee with this plan.

Dr. Eugene Harrell, Acting Secretary of State. Dr. Harrell appeared before the Committee as Acting Secretary of State and as Supervisor of the Secretary of State's Land Office (see Appendix B for written response). He described his office's historical role in the real property process as basically clerical and archival. This role has diminished over time.

According to Dr. Harrell, his office has not received any deeds from the county clerk since he began his current assignment in January of 1980. He stated that his office has not corresponded with the county clerks about this problem and he was not aware if any of his predecessors had. However, even if he did communicate with the county clerks about this issue, his office has no authority under the statutes for enforcement of the requirement.

Dr. Harrell believed part of the problem could be resolved by educating county clerks as to their responsibility to send deeds. To aid his office in verifying the receipt of all deeds, Dr. Harrell thought the proposed monthly report on state purchases from the Department of Finance would be very helpful. Additionally, he indicated the need for notification of sales and transfers in order to maintain accurate records on current state holdings.

If the Secretary of State's Office retains its responsibility for maintaining land records, Dr. Harrell indicated certain administrative problems would have to be resolved. First, it will be necessary to clarify which deeds are to be kept. It is unclear as to his office's responsibility for right of way deeds. Secondly, new mechanisms for storage of these records will be necessary. Currently, records are maintained in filing cabinets; storage represents a physical problem. Using microfilm storage would be a solution but it is not clear if the original documents could be housed in a location outside of the Secretary of State's Office such as the State Archives. Third, an increased

allocation of funds will be required to implement a new storage system and to handle the increased flow of documents into the office. Finally, some legislative change will be necessary to require county clerks to submit to the Secretary of State copies of all sale and transfer deeds involving state property.

David Logsdon, President, County Clerks Association. Mr. Logsdon indicated his belief that county clerks were not complying with the requirement to forward deeds and judgments to the Secretary of State. However, he did not see county clerks as totally responsible for the problem. It appears that lawyers representing state agencies generally request the county clerk to send the certified deed to their office. To correct this situation will require educating both the county clerks and the state agency lawyers as to the current statutory requirements. Mr. Logsdon assured the Committee that the county clerks would cooperate to correct the problem. He has prepared letters to all county clerks concerning the need to comply and will mail these out following this hearing.

Mr. Logsdon made two comments concerning the development of an accurate inventory. First, county clerks and the Secretary of State's responsibilities include judgments such as wills. These should be included in the state's inventory, since they are an asset of the state. However, they could be easily overlooked since a deed formally transferring ownership is not filed.

The second comment concerned deeds involving the sale or transfer of land. Without notification of these, the Secretary of State could not keep up-to-date records on ownership. Mr. Logsdon suggested that KRS 56.020 be modified to require county clerks to submit to the Secretary of State copies of deeds transferring ownership from the state.

CONCLUSION

The results of this informational study indicate the state does not have an accurate or complete, centralized record of the land it owns. Although it is believed that individual agencies do have complete records, as informal as they may be, of the land for which they are administratively responsible, this information has not been centralized. This is despite the fact that the Department of Finance has operated a centralized inventory since the late 1960's and that agencies are annually requested to review, verify or correct the information on this inventory.

According to testimony presented to the Committee, the lack of an accurate, complete inventory is a reflection of the importance attributed to it in the past. The state and its agencies do not account for fixed assets such as land in their financial reports. Therefore, maintaining accurate records of the land has not been essential.

Given the rapid growth in state government, the need for more austere fiscal policies, and the state's increasing need for revenues, proper and efficient use of assets is important. The first step toward proper and efficient use of assets is a listing of those assets and their use or potential use. Only with this knowledge can determinations be made as to the fiscal impact of maintaining, selling, or leasing this land. The agency and groups testifying before the Committee acknowledged the importance of knowing all lands owned and each expressed their commitments to acquiring this record.

Activities Underway to Comply

In response to these committee hearings, several activities have been undertaken by the agencies and groups involved.

The Department of Finance. The Department of Finance is proceeding with updating their inventory. Originals of deeds sent to the Department of Finance are now being forwarded to the Secretary of State. In addition, the Secretary of State is now being sent a listing of new property purchases and sales.

Secretary of State. Attorney Generals' opinions may have to be requested by the Secretary of State to clarify which types of deeds are to be stored and what means and locations can be used for storage. Proposals and cost estimates for a microfilm system are being obtained.

County Clerks. David Logsdon has sent one letter to the county clerks requesting them to comply with the requirements of KRS 56.020. Due to confusion regarding the inclusion of right of way deeds, full compliance by the county clerks is pending an Attorney General's clarification requested by a county clerk. Deeds for other properties are beginning to arrive in the Secretary of State's Office from the county clerks.

Department of Revenue. The Department of Revenue is currently surveying all PVA offices to determine the accuracy of their tax exempt records. Methods for ensuring PVA compliance are under discussion.

Department of Transportation. The Department of Transportation has identified some \$15.2 million worth of unused right of way properties (see Appendix C). This includes excess and surplus lands attached to completed highway projects or projects nearing completion and rights of ways for projects on hold.

According to Secretary Metts the Department will actively seek to dispose of these lands within twelve months. However, \$12.4 million worth of right of way properties relate to projects involving federal participation. Cancellation of these projects will require reimbursing the Federal Highway Administration approximately \$19.2 million. Therefore, disposition of this property is proceeding cautiously.

Secretary Metts indicates the Department has adopted three policies affecting right of way property.

- Right of way property will be purchased only when funding for construction is available in the immediate future.
- The Department will divest itself of property within six months of its being declared surplus.
- The Department will actively seek to dispose of property in excess of one acre with an after value of more than \$1000.

Legislative Issues for Consideration

As a result of this study and the pursuant Committee hearings, two areas may need legislative attention. The first deals with the types of deeds to be maintained by the Secretary of State and the method of maintenance and the location of these records. The other relates to the property valuation administrators' requirement for maintaining tax exempt property records.

Secretary of State. Under KRS 56.020 the Secretary of State is to maintain original records of all deeds and judgments vesting interest in land to the Commonwealth, except for right of way deeds. However, KRS 56.060 requires county clerks to forward copies of all deeds and judgments vesting interest in land to the Commonwealth. This statute does not exempt right of way deeds.

This ambiguity is of concern to the Secretary of State and the county clerks because of the volume of deeds involved. To search past deeds, copy and forward all deeds including right of ways appears to the county clerks as a tremendous cost in staff and resources. The Secretary of State is concerned about the mechanics, space and cost involved in recording and storing all of these documents.

County clerks have requested an Attorney General's Opinion regarding what deeds must be sent to the Secretary of State. If this opinion indicates right of way deeds are to be sent to the Secretary of State, the General Assembly should consider the appropriateness and cost effectiveness of maintaining this requirement.

A second issue involving the Secretary of State concerns sale and transfers of state-owned land. Currently the Secretary is not required to maintain these records nor are county clerks required to submit them. This is an obvious obstacle to the Secretary maintaining an up-to-date record of land owned. Under the current system the Secretary of State's records are only a cumulative summary of all lands owned by the state. Without records of sales or transfers the Secretary cannot indicate the current status of lands originally deeded to the state. Although old land holdings should not be purged from the records, their current status should be known to determine current holdings. Therefore, the General Assembly should consider having notification of sales and transfers sent to the Secretary by the county clerks.

Property Valuation Administrators. Under current statutes property valuation administrators are required to maintain tax exempt property records. However, there is no requirement that this property be reported to any state agency. the Department of Revenue has current administrative responsibility over the PVAs and could require this listing, this relationship is being challenged in the courts.

Having PVAs report tax exempt property would have three benefits for the state.

- Annual reporting of tax exempt property will require the PVAs to maintain up-to-date records.
- An annual report indicating owner, location, size, cost, current value and deed would permit the Department of Finance and the Secretary of State to verify their own records.
- An annual report as described above would provide the Department of Revenue with information to oversee and detect misuse of the tax exempt property status.

Due to the current conflict between the PVAs and the Department of Revenue, the General Assembly should consider statutorily requiring PVAs to annually report tax exempt properties. A statutory requirement would reinforce the importance of this information and would prevent it from becoming victim to the current administrative dispute.

OVERVIEW OF THE STATE'S ACCOUNTING METHODS

Kentucky's accounting records for general government operations are maintained on a modified cash basis. Expenditures are based on the actual cash disbursement. There are two modifications. First, books are not closed until forty-five days following the end of the fiscal year to allow outstanding encumbrances to be accounted for in that year's financial report. Second, personnel salaries and benefits for the last half of the last month of the fiscal year are charged to the next fiscal period. According to the Department of Finance this modification resulted from insufficient funds to complete a fiscal year sometime in the state's past.

Kentucky uses a fund accounting approach with thirteen funds classified into five groups. These are:

Operating Fund Group

General Fund

Agency Fund

Federal Fund

Trust and Revolving Fund

Transportation Fund

Capital Construction Fund

Bond Debt Related Fund Group

County Sinking Fund

Bond Redemption and Interest Fund

Turnpike Authority Revenue Bond Fund

Restricted Fund Group

Unemployment Compensation Fund

Special Deposit Trust Fund

Retirement Fund

Fire and Tornado Insurance Fund

Five types of financial reports are used for each fund: a balance sheet, an analysis of changes in unappropriated surplus, a statement of receipts, a detailed statement of appropriations and allotments, and a detailed statement of allotments and expenditures including final liquidation of encumbrances.



FRANK R. METTS
SECRETARY

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF TRANSPORTATION
FRANKFORT, KENTUCKY 40622

JOHN Y. BROWN, JR.
GOVERNOR

August 27, 1980

Representative Buddy H. Adams, Chairman
Committee for Program Review and Investigation
Legislative Research Commission
State Capitol
Frankfort, Kentucky 40601

Dear Representative Adams:

In response to your letter of July 28, 1980 regarding property accountability, the following information is submitted. A review and inventory of property acquired by the Kentucky Department of Transportation was initiated in February 1980 at my request. These are various types or classifications of property as follows:

1. Right of way for projects which have been constructed.
2. Property acquired during right of way acquisition as excess because the property owner desired to dispose of tracts he felt had little or no value to him after completion of the project.
3. District offices, maintenance sites, repair garages and similar types of properties.
4. Property acquired in anticipation of a future project which would require the use of it when constructed.

Each of these types of properties will be addressed in the following paragraphs.

Land purchased for highway projects is clearly shown on plans as right of way, however, a complete inventory of land acquired as right of way for highway purposes and for which the road has been completed has not been maintained. Most of the record plans for completed projects are available and list each parcel acquired. To complete an inventory of this type property would require an excessive amount of work and could exceed 100,000 parcels. Nothing could be gained from such an inventory since it is used as a part of the highway system. During the process of acquiring highway right of way, it is necessary to purchase some excess property because the completion of the project may cause the value of the property to decrease substantially.

The Department has a complete inventory of this excess property which has been declared surplus. A continuing review of excess property has been performed upon completion of projects and during the past fiscal year 44 conveyances were made and \$265,701 was received for this type of excess property.

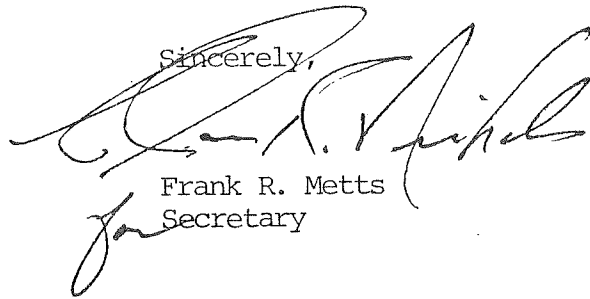
Representative Buddy Adams
Page Two
August 27, 1980

A comprehensive review is being made in each District to determine if some of the property which was acquired for future projects may now be declared excess and disposed of by public sale. If the Federal Highway Administration participated in the cost of acquisition for the future project and it is cancelled, they will require credit for all of the right of way costs such as appraising, negotiating and relocation assistance. Crediting them could result in a substantial cost to the highway fund above the amount received for sale of the property.

The Department has a complete inventory of the real property owned and used for agency purposes. The completion of this inventory has been coordinated with the Department of Finance in order to get the information on a computer.

In my opinion, the only real way to ascertain the accuracy of state-owned property is to conduct a statewide county-by-county title search. Because of the substantial cost involved, we plan to work with other state agencies to determine, as a joint undertaking, the identification of property owned by all state agencies.

Sincerely,



Frank R. Metts
Secretary



Office of Secretary of State
Commonwealth of Kentucky
Frankfort 40601

Frances Jones Mills
SECRETARY OF STATE

TELEPHONE
(502) 564-3490

RESPONSE BY THE OFFICE OF THE SECRETARY OF STATE TO PRELIMINARY
REVIEW OF STATE LAND OWNERSHIP CONDUCTED BY THE PROGRAM REVIEW
AND INVESTIGATIONS COMMITTEE

The Office of the Secretary of State does not currently have a complete file of the property that the Commonwealth of Kentucky owns. The Office does not routinely receive copies of land transactions from County Clerks, nor does it receive notification of transactions from the purchasing or selling agencies. We agree wholeheartedly that modifications in the present system are necessary.

In considering the problem and its possible solutions, several concerns do arise in our office.

- (1) We feel that there must be a method of cross-checking on land transactions.
 - (a) Even though it is required by law, it is doubtful that all the County Clerks can be relied upon to provide the information voluntarily and regularly. It does mean considerably more work for them, and there are no enforcement or penalty provisions in the law that would encourage compliance.
 - (b) A possible solution would be to have purchasing agencies send the Secretary of State a listing of transactions which we can check against deeds actually received. With this to go by, we can contact the Clerks when we do not receive documents for the transactions listed.
- (2) An efficient method must be devised to cross-reference purchases and sales. This becomes particularly difficult when portions of a parcel are sold by the state and the remainder retained. The Secretary of State has never been notified of the sale of state property, and our present system of indexing and filing does not allow for the necessary cross-referencing.
- (3) A definite fee system must be established.
 - (a) The Office of the Secretary of State cannot afford to pay the Clerks for the copies that they will be required to send. There is currently no provision in our budget for this.
 - (1) A limit must be placed on the amount a Clerk can charge the state for such deeds. Some Clerks charge

as much as two or three dollars for a copy.

- (2) An appropriation should be made to our office to cover these costs.
- (4) The Office of the Secretary of State is not physically able to receive the massive number of deeds that could be involved.
- (a) This is particularly true if Department of Transportation right of way deeds are to be included in the records to be sent to out office.
- (b) We do not have the file cabinets to store the documents, the money to purchase them, or, most importantly, the space in which to park them.
- (1) Every available square foot in our office is currently being used for file storage, including the leaking dungeons under the Capitol patio and the maid's broom closet in the first floor hall.
- (2) It would be helpful if we could keep only a microfiche copy, with the originals stored in another agency. However, the law as presently written does not seem to allow this. In addition, a microfiche setup is expensive, and we have not been budgeted for this.
- (c) The process, at least in the "catch up" stage, would be a strain on personnel. The deed book is currently a very small responsibility of an employee who has other full time duties. In this process it would become a full time job for at least one person. This problem can be worked out internally more easily than some of the others, but it does warrant some consideration.

The Office of the Secretary of State will cooperate in any way to help update and maintain the files of land transactions involving the Commonwealth. We will discuss the legal requirements with the County Clerks in our regular meetings, and will notify them of their responsibilities under the law by letter. However, the practical problems involved in the updating process are of such magnitude that we urge careful consideration and planning by all agencies before the process actually begins.



FRANK R. METTS
 SECRETARY

COMMONWEALTH OF KENTUCKY
 DEPARTMENT OF TRANSPORTATION
 FRANKFORT, KENTUCKY 40622

JOHN Y. BROWN, JR.
 GOVERNOR

December 18, 1980

Representative Buddy H. Adams, Chairman
 Committee for Program Review and Investigation
 Legislative Research Commission
 State Capitol
 Frankfort, KY 40601

Dear Representative Adams:

Over the past few weeks, the Department has been actively pursuing the identification and disposition of excess or surplus property acquired in conjunction with various transportation projects throughout the state. Based on an extensive search of our records as well as information supplied through our District Offices, as of October 31 the Department currently has fee simple title or a highway purpose deed, to approximately \$15.2 million of property situated throughout the state (valued at cost or after project completion value) as summarized below (dollars in millions):

EXHIBITS

1	Property acquired through highway purpose deeds (1954-58)	\$1.0
2	Property acquired as <u>excess</u> at time of right-of-way acquisition for projects currently under construction	0.4
3	Property acquired as <u>excess</u> and now considered surplus	0.4
4	Property acquired for projects currently on <u>hold</u>	<u>12.4</u>
	SUB-TOTAL	14.2
	Maintenance barns (surplus)	<u>1.0</u>
	TOTAL	\$15.2

Approximately \$1 million of property acquired through highway purpose deeds has been held by the Department since 1954-58, consisting of tracts in Hardin County (US 62), Henderson County (US 41), and Madison County (US 25). The Department does not have any title interest in this property and would not receive any monetary consideration through disposition of the acquired easements. The priority of the projects for which this property was acquired has been greatly subordinated by completion of the turnpike and interstate systems; however, the projects have not been abandoned.

Representative Buddy H. Adams, Chairman
December 18, 1980
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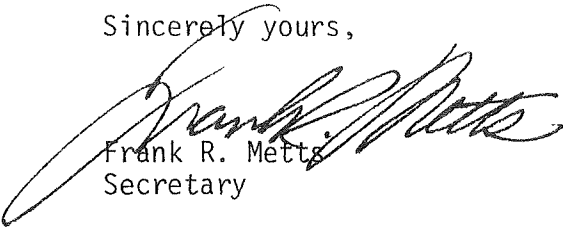
It is often necessary to acquire excess property which by virtue of the project is rendered valueless to the original owner. Currently, property of this type is owned by the Department totalling \$377,095, relating to projects still in the construction phase. In addition, we have \$370,536 of excess property (construction complete) for which disposition is actively being pursued. So far this year we have disposed of 28 surplus tracts at a price of \$410,202 (10% over the appraised value). As a practical matter, some of the excess property acquired in the right-of-way process is virtually valueless and the Department will adopt the policy of actively attempting to dispose of property in excess of one acre of property with an after value of more than \$1,000.

Approximately \$12.4 million of property acquired over the past 20 years relates to lower priority projects (Federal participation 50-90%) which are currently on hold pending availability of funds to complete the project. These projects have been reviewed and it has been determined that these projects are still considered to represent viable future highway projects based on projected travel volume, population growth, and various other criteria. In the event that these projects are no longer considered as active projects, it would be necessary to reimburse the FHWA approximately \$19.2 million in federal participation in right-of-way, design, and utility relocation costs.

Because of federal participation in most major right-of-way acquisitions, we are proceeding very conservatively towards liquidating owned property only when there is absolute assurance that future transportation needs are non-existent. Our plan is to divest ourselves of excess property within six months following its declaration as surplus. More importantly, however, is the policy implemented earlier this year to purchase only right of way where funding for construction is available in the immediate future. This fiscal policy will minimize further State accumulation of tax-producing property for which funds are unavailable to complete construction.

In summary, the attached exhibits (1-4) identify excess or surplus right-of-way property for which disposition is planned within 12 months. Although this inventory represents the results of an intense review of records at the Central Office as well as throughout our district locations, the only way to absolutely determine all holdings of the Department of Transportation throughout the Commonwealth of Kentucky would be through a very time-consuming and expensive county-by-county record search. However, our current level of people and resources must be devoted to other high priority activities.

Sincerely yours,



Frank R. Metts
Secretary

DEPARTMENT OF TRANSPORTATION

Right of Way Acquired Through Highway Purpose Deeds
November 1, 1980

<u>Date Acquired</u>	<u>County</u>	<u>Project</u>	<u>Parcels</u>	<u>Area</u>	<u>Cost</u>
1957-58	Hardin	Elizabethtown-Leitchfield (US 62)	45	98.25 ac.	\$401,420
1958	Henderson	Webster County Line-Henderson (US 41)	77	110.44 ac.	458,560
1954	Madison	Richmond-Lexington (US 25)	31	52.80 ac.	<u>98,079</u>
		TOTAL			\$958,059

Department of Transportation
Parcels Acquired As Excess

<u>COUNTY</u>	<u>DESCRIPTION</u>	<u>ROUTE NO.</u>	<u>AREA</u>	<u>COST AFTER VALUE</u>
Breathitt	AP 13-47-7R; APD 102(40) Campton-Hazard	KY 15	2.77 acres	\$ 1,911.00
Campbell	SP 19-781-1R2; I-275-9(15) Circle Freeway	I-275	16.38 acres	6,015.00
Campbell	SP 19-3011-18R; T 3002(4) US 27 Channelization	US 27	.104 acre	2,500.00
Clark	SP 25-422-L1; I-64-5(2)	I-64	33.75 acres	
Franklin	SP 37-125-4R; F 134(8) Alton-Graefenburg	KY 151	.34 acre	30.00
Franklin	SP 37-5625-5R1; U 551(9)	US 421	.09 acre	500.00
Graves	SP 42-773-1R2; JPP 1-2 Jackson Purchase Parkway		3.36 acres	430.00
Harlan	AP 48-8-56R; APD 140(17) Harlan-Bumberland-Whitesburg Road	US 119	8.17 acres	8,500.00
Henderson	SP 51-429-1R1; RVP 111 Audubon Parkway		11.46 acres	900.00
Henderson	SP 51-389-1R; PP 119-2 Pennyrile Parkway		.032 acre	
Henry	SP 52-327-2R; F 536(5) Campbellsburg-Bedford Road	US 421	1.3 acres	5,000.00
Hopkins	SP 54-790-2R1; WK 2-1 Western Kentucky Turnpike		2.08 acres	225.00

<u>COUNTY</u>	<u>DESCRIPTION</u>	<u>ROUTE NO.</u>	<u>AREA</u>	<u>COST AFTER VALUE</u>
Jefferson	SP 56-118-33R; F 50(10) Bardstown Road	US 31E	.11 acre	\$ 300.00
Jefferson	SP 56-28-L6; U 553(1)	KY 864	.19 acre	9,350.00
Jefferson	SP 56-118-L1; F18(5) Beuchel Bypass	US 31E	.34 acre	395.00
Jefferson	SP 56-568-3R 22nd Street Extension	US 31W	.02 acre	95.00
Jefferson	SP 56-226-1R1 Riverport Development Access Road		.04 acre	100.00
Jefferson	SP 56-273-12; I 64-2(12) New Albany Bridge Interchange	I-64	.48 acre	1,185.00
Jefferson	SP 56-273-11R; I 64-2(37) Riverside Parkway	I-64	1.58 acres	38,056.00
Jefferson	SP 56-898-38R; I 264-1(19) Western Expressway	I-264	6.31 acres	41,111.00
Jefferson	SP 56-898-37R; I 264-1(22) Shawnee Parkway	I-264	4.28 acres	10,912.00
Jefferson	SP 56-273-57R; LSI 64-2(1)	I-64	1.656 acres	25,000.00
Jefferson	SP 56-273-14L; I-64-2(28)6	I-64	12.85 acres	141,500.00
Jefferson	SP 56-273-14R; I 64-2(28) Seneca Parkway	I-64	1.36 acres	32,538.00
Kenton	SP 59-585-1R1; I 275-9(11) I-275 Circle Freeway	I-275	19.36 acres	12,294.00
Kenton	SP 59-75-11R1; S 261(3) Butler-Visalia-Covington	KY 177	.37 acre	2,562.00

<u>COUNTY</u>	<u>DESCRIPTION</u>	<u>ROUTE NO.</u>	<u>AREA</u>	<u>COST AFTER VALUE</u>
Kenton	SP 59-35-12R; S 510(1)	KY 17	20.91 acres	\$ 2,945.00
Leslie	SP 66-22-4R; DBP 115-1 Daniel Boone Parkway		32.50 acres	1,300.00
Letcher	67-519-9R1 Eolia-Va. State Line	KY 806	.21 acre	675.00
Letcher	AP 67-19-7R; APD 102(58) Hazard-Whitesburg	KY 15	.35 acre	750.00
Letcher	SP 67-219-15R2 Blackey-Isom	KY 7	.13 acre	7,910.00
Magoffin	SP 77-120; EKE 4	KY 114	.08 acre	25.00
Mercer	SP 84-32-L2; F 5(2) Nicholasville-Harrodsburg	US 68	3.84 acres	768.00
Montgomery	SP 87-557-L1; I-64-5(2)93	I-64	17.79 acres	
Oldham	SP 93-556-2R; I 71-1(13)	I-71	3.99 acres	11,886.00
Perry	FAP 097 0015 011-013 009R APD 102(74)	KY 15	1.32 acres	80.00
Perry	SP 97-712-1R; DBP Daniel Boone Parkway		1.14 acre	250.00
Pike	AP 98-3-10R2; APD 132(13) Prestonsburg-Pikeville	US 23	6.24 acres	450.00
Shelby	SP 106-536-1R KY 53-KY 55 Connector	KY 53-KY 55	.07 acre	2,000.00
Shelby	SP 106-126-R4 KY 53 Relocated	KY 53	.009 acre	<u>88.00</u>
	TOTAL			370,536.00

Department of TransportationRight-of-Way Acquired for Projects Which
Are Under Construction Or
Are Scheduled for Construction in the Near Future

<u>County</u>	<u>Description</u>	<u>Route No.</u>	<u>Area</u>	<u>Cost After Value</u>
Anderson	FSP 3-127(005-012) 4R; CF 127-1(6) Lawrenceburg-Frankfort	US 127	.20 acre	\$ 845.00
Boone	SP 8-50-5R1; RS 5224(1) Walton-Nicholson Road	KY 16	4.88 acres	13,623.00
Boone	SP 8-4370-18R2; M8126(1)	KY 18	.08 acre	110.00
Bullitt	SP 15-14-9R1 FSP 61-20-22-3R; RS 478(17) Preston Highway	KY 61	.33 acre	4,015.00
Bullitt	Kentucky Turnpike SP 56-688-L1	I-65	28.66 acres	4,250.00
Calloway	SP 18-3-11R1; RF 193(18) Murray-Benton (US 641)	US 641	1.11 acres	100.00
Campbell	SP 19-961-1R; I471-495 Cincinnati Connector	I-471	22.45 acres	42,936.00
Fayette	SP 34-164-20R1 Versailles-Lexington	US 60	.02 acre	50.00
Fayette	SP 34-7164-17R2 FSP 34-60-008-009-011R; BRF 160-1(3) West High Street	US 60	.60 acre	57,100.00
Franklin	SP 37-65-16R1; T3005(2) East Main Street	US 60	.31 acre	4,240.00

<u>County</u>	<u>Description</u>	<u>Route No.</u>	<u>Area</u>	<u>Cost After Value</u>
Franklin	SP 37-5425-11R1; QU 326(29) Green Mill Interchange	US 60	.40 acre	NA
Franklin	SP 37-5065-15R1; CF 420-1(2) Green Mill Interchange	US 60	.44 acre	\$ 3,350.00
Graves	SP 42-598-16R1; FF 144(32) Mayfield-Paducah	US 45	.53 acre	7,575.00
Jefferson	SP 56-8163-14R; M 7007(5) Hikes Lane	Hikes Lane	.38 acre	21,069.00
Jefferson	SP 56-8503-5R1 Old Shepherdsville Road	KY 2052	.47 acre	30,725.00
Jefferson	SP 56-226-1R1 Riverport Development Access Road		.04 acre	100.00
Jefferson	SP 56-468-15R1; F 552(17) Jefferson Freeway	KY 841	1.18 acres	6,300.00
Jefferson	SP 56-468-15R6; M 5841(6) Jefferson Freeway	KY 841	1.34 acres	10,425.00
Jefferson	SP 56-468-15R8 Jefferson Freeway	KY 841	.07 acre	535.00
Jefferson	SP 56-468-16R9; RF 552(27)	KY 841	.267 acre	250.00
Jefferson	SP 56-468-39R1; M 5841 Jefferson Freeway	KY 841	.04 acre	100.00
Jefferson	SP 56-468-16R2; F 552(26) Jefferson Freeway	KY 841	.55 acre	1,104.00
Jefferson	SSP 056 0841 030-035 022R Jefferson Freeway	KY 841	46.21 acres	90,155.00
Jefferson	SP 56-798-L9; I 01-6(1) North/South Expressway	I-65	1.41 acres	2,746.00

<u>County</u>	<u>Description</u>	<u>Route No.</u>	<u>Area</u>	<u>Cost After Value</u>
Jefferson	SP 56-798-L7; In 01-6(3) North/South Expressway	I-65	1.01 acres	\$ 4,950.00
Jefferson	SP 56-798-L12; I65-6(13) 134 North/South Expressway	I-65	.08 acre	45.00
Jefferson	SP 56-798-L6 & L7; FI 519(3) North/South Expressway	I-65	.91 acre	18,020.00
Kenton	FSP 059 0025 005-006 002R; M 8120(7) Dixie Highway-Commonwealth Avenue	US 25-42	.02 acre	3,212.00
Laurel	FAP 063 0080 000-006 002R APD 80-3(6)	KY 80	.53 acre	285.00
Lawrence	AP 64-53-30R1; APD 133(43)	KY 80	.26 acre	2,000.00
Lee	SP 65-9-9R2; RR 05	KY 11	.10 acre	1,041.00
Letcher	AP 67-19-8R1; APD 102(76) Whitesburg Bypass	KY 15	1.442 acres	500.00
McCracken	SP 73-6577-9R1 Riverfront Access Road		1.00 acre	21,600.00
Marshall	SP 79-153-4R1; RF 193(12) Murray-Benton	US 641	.36 acre	50.00
Mason	SSP 081 0011 006-012 003R; RR 07 Maysville-Flemingsburg	KY 11	.135 LL	50.00
Pike	AP 98-3-18R2; APD 132(36) Prestonsburg-Pikeville	US 23	.088 acre	2,400.00
Pike	AP 98-83-19R4; APD 506(25) Pikeville-South Williamson	US 119	.63 acre	16,624.00
Pike	AP 98-543-5R1; APD 127(44) Pikeville-Jenkins	US 23-119	1.77 acres	50.00

<u>County</u>	<u>Description</u>	<u>Route No.</u>	<u>Area</u>	<u>Cost After Value</u>
Pike	AP 98-668-1R; APD 127(35) Pikeville-Jenkins	US 23-119	2.91 acres	\$ 4,550.00
Shelby	FSP 106 0060 011-012 005R HHS 1551(2) Shelbyville Road	US 60	.044 acre	<u>15.00</u>
	TOTAL			377,095.00

DEPARTMENT OF TRANSPORTATION
RIGHT-OF-WAY ACQUIRED FOR PROJECTS ON HOLD

<u>COUNTY</u>	<u>DESCRIPTION</u>	<u>ROUTE NO.</u>	<u>NO. OF PARCELS</u>	<u>AREA</u>	<u>COST AFTER VALUE</u>	<u>FEDERAL PARTICIPATION</u>
Allen	Tennessee State Line-Scottsville-Glasgow	US 31E	193	259.124 ac.	\$ 813,990	\$1,278,915
Anderson	Anderson-Franklin Counties, Lawrenceburg-Graefenburg Road	KY 151	325	38.120 ac.	206,415	379,789
Bourbon/ Fayette	Lexington-Paris Road (Hold Lexington End)	US 27-68	16	8.027 ac.	526,320	604,360
Boyd	From 4.9 miles north of Burnaugh to 1.9 miles S. of I-64	US 23	6	51.303 ac.	41,375	723,311
Calloway	12th Street in Murray	US 641	5	15,859 sq. ft.	151,000	469,350
Christian	Pennyrile Parkway Extension		129	383.190 ac.	470,265	-0-
Fayette	Athens-Boonesboro Road	KY 418	5	3.814 ac.	167,995	181,851
Franklin	Capital Plaza-US 127 Connector	US 127	3	7.122 ac.	193,750	441,624
Fulton	Kentucky Avenue and North Park to Fourth Street	US 45	4	3,190 sq. ft.	2,425	-0-
Harlan	From a point approximately 0.98 mi. E. of the E.C.L. of Cum-berland and extending E. to a point app. 1.6 mi. W of the Harlan-Letcher County Line	US 119	109	163.817 ac.	1,491,896	1,704,163
Henderson	Henderson Bypass	US 60	7	0.3419 ac.	25,225	-0-
Johnson	Interchange from US 460 at Paints-ville Bypass	US 460	18	34.955 ac.	672,240	1,871,118
Johnson	Paintsville-Louisa	US 23	116	68.750 ac.	1,592,838	1,881,388

<u>COUNTY</u>	<u>DESCRIPTION</u>	<u>ROUTE NO.</u>	<u>NO. OF PARCELS</u>	<u>AREA</u>	<u>COST AFTER VALUE</u>	<u>FEDERAL PARTICIPATION</u>
Lawrence	South of KY 3 to 0.2 miles South of Waller Branch	US 23	19	74.020 ac.	\$ 598,730	\$ 693,815
Lawrence	Paintsville-Louisa Road From Johnson-Lawrence County Line extending North to a point approximately 1.5 mi. South of S.C.L. of Louisa	US 23	110	154.740 ac.	963,249	\$1,579,412
Pike	Beginning at junction with KY 1450 near S.E. limits of Shelbyiana extending 500 ft. north of C&O at Elkhorn City	US 460 (KY 80)	1094	343.527 ac.	2,877,492	3,795,973
Pike	US 119 Town Mountain	US 119	3	1.410 ac.	30,000	1,495,233
Simpson	Franklin-Scottsville	KY 100	311	75.237 ac.	676,321	929,631
Wayne	Monticello Bypass	KY 90	99	136.524 ac.	854,460	1,163,513
	TOTAL				12,355,986	19,193,446

