

EXECUTIVE BRANCH ETHICS COMMISSION

ADVISORY OPINION 05-27

May 27, 2005

RE: May property tax assessment employees accept travel expense reimbursement from professional association?

DECISION: Yes.

This opinion is issued in response to your May 13, 2005 request for an advisory opinion from the Executive Branch Ethics Commission (the "Commission"). This matter was reviewed at the May 27, 2005 meeting of the Commission and the following opinion is issued.

You state the relevant facts as follows. You serve as the president of the Kentucky Chapter (the "Chapter") of the International Association of Assessing Officers (IAAO), a nonprofit 501(c)(3) organization dedicated to enhancing professionalism in the field of property tax assessment administration. The vast majority of IAAO members are property tax assessment personnel who work for state and local government (Property Valuation Administrators ("PVAs"), deputy PVAs, other state employees); however membership is open to anyone, including individuals working in industry, academia, and the general public. Dues are \$20 per year, per person. The Kentucky chapter also holds fundraisers, such as raffles and silent auctions, for designated purposes.

The Kentucky Chapter of the IAAO provides continuing educational opportunities for its members and performs various community service projects. The Chapter also is involved in IAAO policy matters with two Chapter members serving on international committees. The Chapter pays travel expenses for its Executive Director, members who have been appointed to international committees, and IAAO representatives to attend out-of-state meetings and educational functions.

You believe that the organization holds to the highest standards of ethics, but recently, questions have arisen regarding the propriety of providing reimbursement of travel expenses to members who are on Chapter business or attending educational functions. You have consulted with IAAO leadership regarding this issue and have been told unequivocally that there is no ethical problem.

You ask: *Is it ethical for IAAO and the Kentucky Chapter of IAAO to pay members' expenses to attend educational and business functions?*

KRS 11A.045(1) provides:

(1) No public servant, his spouse, or dependent child knowingly shall accept any gifts or gratuities, including travel expenses, meals, alcoholic beverages, and honoraria, totaling a value greater than twenty-five dollars (\$25) in a single calendar year from any person or business that does business with, is regulated by, is seeking grants from, is involved in litigation against, or is lobbying or attempting to influence the actions of the agency in which the public servant is employed or which he supervises, or from any group or association which has as its primary purpose the representation of those persons or businesses. Nothing contained in this subsection shall prohibit the commission from authorizing exceptions to this subsection where such exemption would not create an appearance of impropriety.

Further, KRS 11A.040(5) provides:

(5) A public servant shall not knowingly accept compensation, other than that provided by law for public servants, for performance of his official duties without the prior approval of the commission.

Although you ask whether the IAAO may pay its members' expenses, the Commission will answer your question relative to state employees only, both those employed as or by local PVAs and others employed by the Department of Revenue, as the Executive Branch Code of Ethics is not applicable to non-state employee members of the IAAO.

EXECUTIVE BRANCH ETHICS COMMISSION

ADVISORY OPINION 05-27

May 27, 2005

Page Three

The Commission has addressed this issue in many previously issued advisory opinions, copies of which are enclosed. In those advisory opinions the Commission stated that KRS Chapter 11A did not prohibit employees from accepting travel expense reimbursement from a professional association or organization, provided the agency for which the employee works does not do business with nor regulate the association or organization or the members of the association or organization. The Commission's approval was based on the condition that the association duties are not conducted on state time or at state expense, unless such duties are part of the employee's official duty, as determined by management.

As you have stated, the members of the IAAO consist primarily of PVAs, Deputy PVAs, and other Revenue Department employees, all who are state employees. Thus, because the IAAO primarily represents PVAs and other state employees, rather than individuals who do business with or are regulated by PVA offices or the Revenue Department, no conflict would appear to exist for PVAs, deputy PVAs or state employees to accept from the IAAO travel expense reimbursement to attend education and business functions of the IAAO. Although employees of the Revenue Department may be involved in the administration/supervision of PVAs, they do not "regulate" PVAs since PVAs are employees of the Department.

Secondly, even if management has determined that such activity by employees is within the employees' official duty and should be performed on "state" time, travel expense reimbursement is not considered "compensation" as defined in KRS 11A.010(3) provided below, and thus KRS 11A.040(5) above does not apply.

(3) "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or another.

Sincerely,

EXECUTIVE BRANCH ETHICS COMMISSION

BY CHAIR: James S. Willhite

Enclosures: Advisory Opinion 93-49
Advisory Opinion 95-29
Advisory Opinion 02-30
Advisory Opinion 03-11