

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
2022 Regular Session**

**Part I: Measure Information**

**Bill Request #:** 1566

**Bill #:** SJR 99

**Document ID #:** 3611

**Bill Subject/Title:** A JOINT RESOLUTION directing the Governor to direct the Kentucky Department of Revenue to deviate from the standard valuation used in assessing motor vehicles for property tax purposes and declaring an emergency.

**Sponsor:** Senator Donald Douglas

Unit of Government:  City  County  Urban-County  
 Charter County  Consolidated Local  Unified Local  
Government

Office(s) Impacted: Property Valuation Administrators and County Clerks

Requirement:  Mandatory  Optional

Effect on

Powers & Duties:  Modifies Existing  Adds New  Eliminates Existing

**Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government**

SJR 99 exempts from state and local property taxes, for the January 1, 2022 and January 1, 2023, assessment dates, the portion of taxes computed on any increase in a motor vehicle's valuation from January 1, 2021. It also directs the Governor to direct the Department of Revenue to deviate from the standard value in assessing motor vehicles for property taxes for the January 1, 2022 and January 1, 2023 assessment dates. SJR 99 mandates that refunds be granted under KRS 134.590 for the overpayment of taxes created from the retroactive application of the exemption.

SJR 99 includes an emergency clause in order to have the measure take effect upon its passage and approval by the Governor or upon it otherwise becoming law.

On January 6, 2022, the Department of Revenue Office of Property Valuation released a memo pertaining to the motor vehicle assessments adopted on January 1, 2022. This memo indicated the total assessed value for motor vehicles increased by approximately 40 percent when compared to the total assessment adopted on January 1, 2021. Under current statutes, this increase in total assessments will lead to a corresponding increase in motor vehicle property tax receipts at the state and local level during this assessment period.

Since SJR 99 exempts the property taxes that are computed on the increase in a motor vehicle's valuation from January 1, 2021, the expected fiscal impact of SJR 99, once adopted, is negative. This negative local impact will vary based on the number of taxing districts within each county, the motor vehicle assessment within each taxing district, and the applicable tax rate. The local impact for future assessment periods during the biennium is indeterminable because motor vehicle assessments for these periods are not available.

Total motor vehicle assessments and motor vehicle tax rate data are publically available at the county level, but the total assessment by taxing district within the county is not publically available. In the absence of motor vehicle assessment data by taxing district, it is not possible to estimate the local fiscal impact. For these reasons, the local fiscal impact of SJR 99 is negative but indeterminable.

### **Part III: Differences to Local Government Mandate Statement from Prior Versions**

Part II, above, pertains to the bill as introduced.

**Data Source(s):** LRC Staff, Department of Revenue January 6, 2022 memo

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