

CHAPTER 135

(SB 110)

AN ACT relating to motor vehicles and declaring an emergency.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) *Beginning July 1, 2027:*

- (a) 1. *Except as provided in subparagraph 2. of this paragraph, a lienholder shall use the electronic title application and registration system to submit liens and lien documents.*
- 2. *This paragraph shall not apply to lienholders who are not normally engaged in the business of financing motor vehicles or manufactured homes and are exempted by the department; and*
- (b) 1. *Except as provided in subparagraph 2. of this paragraph, a motor vehicle dealer licensed under KRS Chapter 190 or a manufactured home retailer licensed under KRS Chapter 227 shall use the electronic title application and registration system and the centralized lien management system to submit title, registration, and lien documents.*
- 2. *This paragraph shall not apply to any motor vehicle dealer who submits less than twenty-five (25) title applications annually.*

(2) *The Transportation Cabinet shall:*

- (a) *Work with county clerks, motor vehicle dealers, manufactured home retailers, lenders, and other entities to construct and test systems to enable full implementation of the electronic title application and registration system and the centralized lien management system prior to July 1, 2027; and*
- (b) *Ensure that the electronic title application and registration system and the centralized lien management system are operational by January 1, 2027.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

Beginning January 1, 2027:

- (1) *Upon application for title under this chapter, the title shall not be mailed to the owner of the vehicle or manufactured home, but shall instead be held in AVIS;*
- (2) *The certificate of title shall be considered to be physically held by the lienholder for the purposes of compliance with state and federal odometer disclosure requirements, and a paper title shall not be required. The title may be in digital or electronic format;*
- (3) *Lienholders may request a printed title by submitting a request electronically through the electronic title application and registration system and paying the title print fees under Section 4 of this Act; and*
- (4) *A vehicle owner may request a printed copy of the title by submitting an application to the county clerk and paying the title print fees under Section 4 of this Act:*
 - (a) *Upon lien satisfaction in the system of record in AVIS; or*
 - (b) *At any time, including the time of title application, for vehicles without a lien.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

The Transportation Cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish fees to be paid to the cabinet and county clerks for services provided in the process of titling and registering motor vehicles under this chapter and KRS Chapter 186A.

➔Section 4. KRS 186A.130 is amended to read as follows:

There shall be paid for issuing and processing *title* documents required by this chapter fees according to the following schedule:

- (1) (a) Each application for a certificate of title shall be nine dollars (\$9), of which the county clerk shall retain six dollars (\$6) and the Transportation Cabinet shall receive three dollars (\$3).
- (b) ~~(2)~~ Each application for a ~~replacement or~~ corrected certificate of title shall be six dollars (\$6), of which the county clerk shall retain four dollars (\$4) and the Transportation Cabinet shall receive two dollars (\$2). If a corrected certificate must be issued because of an error of the county clerk or the Department of Vehicle Regulation, there shall be no charge.
- (c) *Each application for a printed title shall be six dollars (\$6), of which the county clerk shall retain four dollars (\$4) and the Transportation Cabinet shall receive two dollars (\$2);*
- ~~(2)(3)~~ Each application for a speed title shall be twenty-five dollars (\$25), of which the county clerk shall retain five dollars (\$5) and the Transportation Cabinet shall receive twenty dollars (\$20); ~~and~~
- ~~(3)(4)~~ (a) Each application for a certificate of title for an all-terrain vehicle shall be fifteen dollars (\$15), of which the county clerk shall retain six dollars (\$6) and the Transportation Cabinet shall receive nine dollars (\$9).
- (b) Each application for a ~~replacement or~~ corrected certificate of title for an all-terrain vehicle shall be ten dollars (\$10), of which the county clerk shall retain four dollars (\$4) and the Transportation Cabinet shall receive six dollars (\$6). If a corrected certificate must be issued because of an error of the county clerk or the Department of Vehicle Regulation, there shall be no charge.
- (c) *Each application for a printed title for an all-terrain vehicle shall be six dollars (\$6), of which the county clerk shall retain four dollars (\$4) and the Transportation Cabinet shall receive two dollars (\$2).*

➔Section 5. KRS 134.805 is amended to read as follows:

- (1) The county clerk shall be allowed by the Department of Revenue, for collecting state ad valorem taxes on motor vehicles, a commission of four percent (4%) on state taxes collected.
- (2) The county clerk shall be allowed by the county treasurer, for collecting county and special district ad valorem taxes on motor vehicles, a commission of four percent (4%) on county and special taxes collected.
- (3) The county clerk shall be allowed a commission of four percent (4%) of the school district taxes collected.
- (4) ~~Effective January 1, 1985,~~ The county clerk shall be allowed a commission of four percent (4%) of the city or urban-county government taxes collected.
- (5) (a) For the convenience and benefit of the Commonwealth's citizens and to maximize ad valorem tax collections, county clerks shall be responsible for causing the preparation and **distribution** ~~mailing~~ of a notice of ad valorem taxes due to the January 1 owner, as defined in KRS 186.010(7)(a) and (c), of each motor vehicle no later than forty-five (45) days prior to the ad valorem tax and registration renewal due date in each calendar year.
- (b) When a vehicle is transferred in any year before the ad valorem taxes on that vehicle have been paid, a notice of taxes due shall be sent within ten (10) working days after the date of transfer or notice of transfer to the owner as of January 1 of that year.
- (c) When ad valorem taxes on a vehicle become delinquent for sixty (60) days, as defined by KRS 134.810, a second notice shall be sent within ten (10) working days to the January 1 owner of record. The notice shall inform the delinquent owner of the lien provisions provided by KRS 134.810 on all vehicles owned or acquired by the owner of the vehicle at the time the tax liability arose.
- (d) ~~The~~ ~~These~~ notices **required under this subsection** shall be calculated, prepared, and **distributed** ~~mailed first class~~ on behalf of county clerks by ~~the~~ AVIS. **The notices required under this subsection shall be sent by:**
1. *Email, if the owner has provided an email address to the Transportation Cabinet in AVIS;*
 2. *Text message, if the owner has provided a mobile phone number to the Transportation Cabinet in AVIS; or*
 3. *First-class mail.*
- (e) Nonreceipt of the notices required **under this subsection** ~~herein~~ shall not constitute any defense against applicable penalty, interest, lien fees, or costs recovery.

➔Section 6. KRS 186.020 is amended to read as follows:

- (1) Before the owner of a motor vehicle, or street-legal special purpose vehicle as defined in KRS 186.077, may operate it or permit its operation upon a highway, the owner shall apply for registration in accordance with administrative regulations promulgated by the cabinet, except that a person who purchases a motor vehicle, or brings a motor vehicle into the Commonwealth from another state shall make application for registration within fifteen (15) days. The bill of sale or assigned title must be in the motor vehicle during this fifteen (15) day period. If the owner of a motor vehicle is an individual and resides in the Commonwealth, the motor vehicle shall be registered with the county clerk of the county in which he or she resides. If the owner of a motor vehicle does not reside in the Commonwealth, the motor vehicle shall be registered with the county clerk of the county in which the motor vehicle is principally operated. If the owner of a motor vehicle is other than an individual and resides in the Commonwealth, the motor vehicle shall be registered with the county clerk of either county. The application when presented to the county clerk for registration shall be accompanied by:
 - (a) A bill of sale and a manufacturer's certificate of origin if the application is for the registration of a new motor vehicle;
 - (b) The owner's registration receipt, if the motor vehicle was last registered in this state;
 - (c) A bill of sale and the previous registration receipt, if last registered in another state where the law of that state does not require the owner of a motor vehicle to obtain a certificate of title or ownership;
 - (d) A certificate of title, if last registered in another state where the law of that state requires the owner of a motor vehicle to obtain a certificate of title or ownership;
 - (e) An affidavit from an officer of a local government saying that the motor vehicle has been abandoned and that the provisions of KRS 82.630 have been complied with, for local governments which elect to use the provisions of KRS 82.600 to 82.640;
 - (f) The application from a person who has brought a motor vehicle into the Commonwealth from another state shall be accompanied by proof that the motor vehicle is insured in compliance with KRS 304.39-080; and
 - (g) Proof of insurance in compliance with KRS 186.077 if the application is for the registration of a street-legal special purpose vehicle.
- (2) After that, except as provided in subsection (6) of this section, the owner of any motor vehicle registered under KRS 186.050(1) or (2) shall register his or her motor vehicle on or before the date on which his or her certificate of registration expires. If, before operating the motor vehicle in this state, the owner registers it at some later date and pays the fee for the full year, he or she will be deemed to have complied with the law. Insofar as the owner is concerned, registration with the clerk shall be deemed to be registration with the cabinet.
- (3) After that, the owner of any commercial vehicle registered under KRS 186.050(3) to (14) shall register the commercial vehicle on or before April 1 of each year. If, before operating a commercial vehicle in this state, the owner registers it at some later date and pays the required fee, he or she will be deemed to have complied with the law. Insofar as the owner is concerned, registration with the clerk shall be deemed to be registration with the cabinet, except the owner of any commercial motor vehicle to be registered pursuant to the International Registration Plan under KRS 186.050(13) shall register the commercial motor vehicles on or before the last day of the month of registration established pursuant to KRS 186.051(3).
- (4) The application and documents presented *for registration*~~[therewith]~~, including the sheriff's certificate of inspection, shall, *along with*~~[be affixed to]~~ the Transportation Cabinet copy of the certificate of title or registration, *be*~~[and]~~ sent to the Transportation Cabinet by the clerk.
- (5) At least forty-five (45) days prior to the expiration of registration of any motor vehicle previously registered in the Commonwealth as provided by KRS 186A.035, the owner of the vehicle shall be notified~~[by mail]~~ on the same notice required by KRS 134.805(5) of the date of expiration. In addition, the department shall provide appropriate forms and information to permit renewal of motor vehicle registration to be completed by mail. Any registration renewal by mail shall require payment of an additional two dollar (\$2) fee which shall be received by the county clerk. Nonreceipt of the notice *under this subsection*~~[herein]~~ shall not constitute a defense to any registration related offense.

- (6) (a) If an individual has been serving in the United States military stationed or assigned to a base or other location outside the boundaries of the United States, he or she shall renew the registration on the vehicle within thirty (30) days of his or her return if:
1. The motor vehicle has been stored on a military base during the time of deployment and has not been operated on the public highways during that time; and
 2. The vehicle's registration expired during the individual's absence.
- (b) An individual who meets the criteria in paragraph (a) of this subsection shall not be convicted or cited for driving a vehicle with expired registration within thirty (30) days after the individual's return to the Commonwealth if the individual can provide proof of meeting the eligibility criteria under paragraph (a) of this subsection.
- (c) When an individual presents evidence of meeting the criteria under paragraph (a) of this subsection when applying to renew the registration on the motor vehicle, the county clerk shall, when applicable, treat the registration as a prorated renewal under KRS 186.051, and charge the individual a registration fee only for the number of months of the registration year the vehicle will be used on the public highways.
- (7) The provisions of this section shall not apply to vehicles *or manufactured homes* for which permanent registration has been obtained pursuant to KRS 186A.127.

➔Section 7. KRS 64.012 is amended to read as follows:

- (1) The county clerk shall receive for the following services the following fees:
- (a) 1. Recording and indexing of a:
- a. Deed of trust or assignment for the benefit of creditors;
 - b. Deed;
 - c. Deed of assignment;
 - d. File-stamped copy of documents set forth in KRS 14A.2-040(1) or (2) that have been filed first with the Secretary of State;
 - e. Real estate option;
 - f. Power of attorney;
 - g. Revocation of power of attorney;
 - h. Lease which is recordable by law;
 - i. Deed of release of a mortgage or lien under KRS 382.360;
 - j. United States lien;
 - k. Release of a United States lien;
 - l. Release of any recorded encumbrance other than state liens;
 - m. Lis pendens notice concerning proceedings in bankruptcy;
 - n. Lis pendens notice;
 - o. Mechanic's and artisan's lien under KRS Chapter 376;
 - p. Assumed name;
 - q. Notice of lien issued by the Internal Revenue Service;
 - r. Notice of lien discharge issued by the Internal Revenue Service;
 - s. Original, assignment, amendment, or continuation financing statement;
 - t. Making a record for the establishment of a city, recording the plan or plat thereof, and all other service incident;
 - u. Survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city;

- v. Recording with statutory authority for which no specific fee is set, except a military discharge;
- w. Will or other probate document pursuant to KRS Chapter 392 or 394;
- x. Court ordered name change pursuant to KRS Chapter 401;
- y. Land use restriction according to KRS 100.3681; and
- z. Filing with statutory authority for which no specific fee is set.

For all items in this subsection if the entire thereof does not exceed five (5) pages\$33.00

And, for all items in this subsection exceeding five (5) pages, for each additional page\$3.00

And, for all items in this subsection for each additional reference relating to same instrument\$4.00

- 2. The thirty-three dollar (\$33) fee imposed by this subsection shall be divided as follows:
 - a. Twenty-seven dollars (\$27) shall be retained by the county clerk; and
 - b. Six dollars (\$6) shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.
- (b) For noting *an initial or continuation*~~of a~~ security interest on a certificate of title pursuant to KRS Chapter 186A\$12.00
- (c) For filing the release of collateral under a financing statement and noting same upon the face of the title pursuant to KRS Chapter 186 or 186A \$5.00
- (d) Filing or recording state tax or other state liens\$5.00
- (e) Filing release of a state tax or other state lien\$5.00
- (f) Acknowledging or notarizing any deed, mortgage, power of attorney, or other written instrument required by law for recording and certifying same\$5.00
- (g) Recording plats, maps, and surveys, not exceeding 24 inches by 36 inches, per page\$40.00
- (h) Recording a bond, for each bond\$10.00
- (i) Each bond required to be taken or prepared by the clerk\$4.00
- (j) Copy of any bond when ordered\$3.00
- (k) Administering an oath and certificate thereof\$5.00
- (l) Issuing a license for which no other fee is fixed by law\$8.00
- (m) Issuing a solicitor's license\$15.00
- (n) Marriage license, indexing, recording, and issuing certificate thereof\$26.50
- (o) Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the county levy when

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- the road is established, changed, closed, or discontinued, and by
the applicant when it is not\$3.00
- (p) Registration of licenses for professional persons required to register
with the county clerk\$10.00
- (q) Certified copy of any record\$5.00
Plus fifty cents (\$.50) per page after three (3) pages
- (r) Filing certification required by KRS 65.070(2)(a)\$5.00
- (s) Filing notification and declaration and petition of candidates
for Commonwealth's attorney\$200.00
- (t) Filing notification and declaration and petition of candidates for county
and independent boards of education\$20.00
- (u) Filing notification and declaration and petition of candidates for
boards of soil and water conservation districts\$20.00
- (v) Filing notification and declaration and petition of candidates for
other office\$50.00
- (w) Filing declaration of intent to be a write-in candidate for office\$50.00
- (x) Filing petitions for elections, other than nominating petitions\$50.00
- (y) Notarizing any signature, per signature\$2.00
- (z) Filing bond for receiving bodies under KRS 311.310\$10.00
- (aa) Noting the assignment of a certificate of delinquency and recording and
indexing the encumbrance under KRS 134.126 or 134.127\$27.00
- (ab) Filing a going-out-of-business permit under KRS 365.445\$50.00
- (ac) Filing a renewal of a going-out-of-business permit under KRS 365.445\$50.00
- (ad) Filing and processing a transient merchant permit under KRS 365.680\$25.00
- (ae) Recording and indexing a real estate mortgage:
1. For a mortgage that does not exceed thirty (30) pages\$63.00
 2. And, for a mortgage that exceeds thirty (30) pages, for each
additional page.....\$3.00
- (af) Filing or recording a lien or release of lien by a consolidated local government,
urban-county government, unified local government, or
city of any class.....\$20.00
- (2) The sixty-three dollar (\$63) fee imposed by subsection (1)(ae) of this section shall be divided as follows:
- (a) Fifty-seven dollars (\$57) shall be retained by the county clerk; and
 - (b) Six dollars (\$6) shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.
- (3) (a) For services related to the permanent storage of records listed in paragraphs (a), (g), (n), and (ae) of subsection (1) of this section, the clerk shall be entitled to receive a reimbursement of ten dollars (\$10).
- (b) In counties or a county containing an urban-county government, charter county government, or unified local government:

1. This fee shall:
 - a. Not be paid annually to the fiscal court under KRS 64.152;
 - b. Not be paid to the Finance and Administration Cabinet under KRS 64.345;
 - c. Be accumulated and transferred to the fiscal court or the legislative body of an urban-county government on a monthly basis within ten (10) days following the end of the month;
 - d. Be maintained by the fiscal court or the legislative body of an urban-county government in a separate bank account and accounted for in a separate fund; and
 - e. Not lapse to the general fund of the county or urban-county government.
 2. The moneys accumulated from this fee shall be held in perpetuity by the fiscal court or the legislative body of an urban-county government for the county clerk's exclusive use for:
 - a. Equipment related to the permanent storage of and access to records, including deed books, binders, shelves, microfilm equipment, and fireproof equipment;
 - b. Hardware for the permanent storage of and access to records, including computers, servers, and scanners;
 - c. Software for the permanent storage of and access to records, including vendor services and consumer subscription fees;
 - d. Personnel costs for the permanent storage of and access to records, including overtime costs for personnel involved in the digitization of records; and
 - e. Cloud storage and cybersecurity services for the permanent storage of and access to records.
 3. Notwithstanding KRS 68.275, claims by a county clerk that are for the approved expenditures in subparagraph 2. of this paragraph shall be paid by the county judge/executive or the chief executive officer of an urban-county government by a warrant drawn on the fund and co-signed by the treasurer of the county or urban-county government.
 4. No later than July 1 of each year, each county fiscal court or legislative body of an urban-county government shall submit a report to the Legislative Research Commission detailing the receipts, expenditures, and any amounts remaining in the fund.
- (c) In a county containing a consolidated local government:
1. The fee shall not:
 - a. Be paid to the Finance and Administration Cabinet under KRS 64.345; or
 - b. Lapse to the general fund of the consolidated local government.
 2. The moneys accumulated from this fee shall be held in perpetuity by the county clerk in a separate fund to be used exclusively for:
 - a. Equipment related to the permanent storage of and access to records, including deed books, binders, shelves, microfilm equipment, and fireproof equipment;
 - b. Hardware for the permanent storage of and access to records, including computers, servers, and scanners;
 - c. Software for the permanent storage of and access to records, including vendor services and consumer subscription fees;
 - d. Personnel costs for the permanent storage of and access to records, including overtime costs for personnel involved in the digitization of records; and
 - e. Cloud storage and cybersecurity services for the permanent storage of and access to records.

3. No later than July 1 of each year, the county clerk shall submit a report to the consolidated local government and the Legislative Research Commission detailing the receipts, expenditures, and any amounts remaining in the fund.

➔Section 8. KRS 186A.005 is amended to read as follows:

As used in this chapter:

- (1) "Approved entity" means:
 - (a) A motor vehicle dealer licensed under KRS Chapter 190 that applies to and is approved by the Transportation Cabinet to facilitate the title application or salvage title application process through the electronic title application and registration system;
 - (b) A state or federal financial institution chartered under the laws of this state, any other state, or the United States as a bank insured by the Federal Deposit Insurance Corporation (FDIC), bank holding company, trust company, credit union, savings and loan association, or a holding company or service corporation subsidiary thereof, or any agent of any of the entities listed in this paragraph;
 - (c) An owner of a fleet as defined in this section that applies to and is approved by the Transportation Cabinet to facilitate renewal of registration or maintenance of permanent registration under KRS 186A.127 through the electronic title application and registration system; and
 - (d) A retailer of manufactured homes, mobile homes, or recreational vehicles, as defined in KRS 227.550, that applies to and is approved by the Transportation Cabinet to facilitate the title application process through the electronic title application and registration system;
- (2) "Cabinet" means the Transportation Cabinet;
- (3) "Electronic title application and registration system" means a system established under KRS 186A.017 by which title applications, salvage title applications, title lien statements, other supporting documents, signatures, and fees are input and transmitted through the title application and registration process in an electronic format;
- (4) "Fleet" means:
 - (a) A group of at least one hundred fifty (150) U-Drive-It vehicles owned by the holder of a U-Drive-It certificate; or
 - (b) A group of at least ten (10) nonapportioned commercial motor vehicles owned by a company and used for business purposes;~~and~~
- (5) ***"Manufactured home" has the same meaning as in KRS 227.550;***
- (6) ***"Termination statement" means a statement allowing a lien to be released that is transmitted by:***
 - (a) ***A form promulgated by the cabinet through administrative regulations in accordance with KRS Chapter 13A; or***
 - (b) ***A letter from a lender that is dated, signed, and notarized, on letterhead with the name and logo of the lender, that includes the:***
 1. ***Name of the owner of the vehicle or manufactured home;***
 2. ***Identification number of the vehicle or manufactured home;***
 3. ***Filing date of the lien; and***
 4. ***Lien file number assigned at the time of the filing of the lien; and***
- (7) "Title lien statement" means a document ***or electronic submission***, submitted by a secured party or authorized agent, to the cabinet through any county clerk's office in the Commonwealth, to note the security interest on the certificate of title, or to amend or terminate a security interest on the certificate of title.

➔Section 9. KRS 186.045 is amended to read as follows:

- (1) A perfected security interest in a motor vehicle ***or manufactured home*** that has been satisfied by payment in full shall be deemed to have been discharged if one (1) or both of the following events has occurred:
 - (a) The funds to pay in full and discharge the security interest have been provided to the secured party in the form of a cashier's check, certified check, or wire transfer; or

- (b) The debt has been paid to a secured party who is no longer in existence or has failed to file the necessary documents to discharge the lien.
- (2) If payment in full has been made under subsection (1)(a) of this section, the discharge of the lien shall be made not later than ten (10) days from the receipt of the payment.
- (3) When a security interest has been paid in full and a termination statement, *as defined in Section 8 of this Act*, or discharge has not been filed, the debtor may petition the Circuit Court in the county of the debtor's residence to order the discharge of the security interest. The debtor shall present written evidence to the Circuit Court that the security interest has been paid in full. If the evidence presented to the Circuit Court proves to the court's satisfaction that the security interest has been paid in full, the court shall order the county clerk to note the termination on the title and to remove the lien from the Automated Vehicle Information System (AVIS). A copy of the court's order shall immediately be sent to the county clerk in the county where the security interest was originally filed and the county clerk shall discharge the security interest and remove the lien information from AVIS in accordance with the provisions of this section.
- (4) Whenever a security interest has been discharged, other than by proceedings under Part 6 of Article 9 of KRS Chapter 355 or similar proceedings, the secured party shall:
- (a) 1. For a security interest perfected prior to January 1, 2025:
- a. Deliver an authenticated termination statement in the manner required by KRS 355.9-513 to the county clerk of the county in which the title lien statement was submitted; or
 - b. Have a county clerk from another county submit by fax or other form of electronic communication available and acceptable to both sender and recipient, and verified verbally or by electronically assigned identification as being from the sending clerk, and which is able to be copied to an electronic or paper file, on that county clerk's letterhead, an authenticated termination statement in the manner required by KRS 355.9-513 to the county clerk of the county in which the title lien statement was submitted. The county clerk, upon receipt of the authenticated termination statement in the manner prescribed under this paragraph, shall verify the legitimacy of the document; or
2. For a security interest perfected on or after January 1, 2025, submit an authenticated termination statement to a county clerk in the same manner as a title lien statement under KRS 186A.195; and
- (b) Deliver a copy of the termination statement to the debtor or the debtor's transferee.

For failure to file the termination statement within the allowable time, the secured party shall be subject to the penalty provided in KRS 186.990(1). Except as provided in subsection (3) of this section, within five (5) days after the receipt of these documents, the county clerk shall enter the filing into the system of record. The county clerk shall then file the termination statement in the place from which the title lien statement was removed. Termination statements shall be retained in the clerk's files for a period of two (2) years subsequent to the date of filing a statement, at which time they may be destroyed. The fee for these services are included in the provisions of KRS 186A.190.

- (5) Upon presentation of an owner's title showing a security interest to the county clerk of a county where the termination statement was not delivered, the county clerk shall access ~~AVIS[the automated system]~~ to determine whether a record of termination of the security interest has been entered into ~~AVIS[the automated system]~~ by the county clerk where the termination statement was delivered by the secured party as provided in KRS 186A.210. If a record of termination has been entered into ~~AVIS[the automated system]~~, the county clerk of the county where the termination statement was not delivered shall note the discharge of the security interest on the certificate of title by noting that the termination statement has been delivered, the county where it was delivered, and placing the seal of the county clerk thereon and may rely on ~~AVIS[the automated system]~~ to do so. If a record of termination has not been entered into ~~AVIS[the automated system]~~, the county clerk of the county other than where the termination statement was delivered shall not make any notation upon the certificate of title that the security interest has been discharged or that a termination statement has been delivered to the county where the title lien statement was submitted.
- (6) Whenever any secured party repossesses a vehicle *or manufactured home* titled in Kentucky, for which a security interest is in existence at the time of repossession, and disposes of the vehicle *or manufactured home* pursuant to the provisions of KRS Chapter 355, the secured party shall present, within fifteen (15) days after

the disposition, the vehicle's license plate if the plate has not been retained by the previous owner, an affidavit in a form prescribed by the department, proof of notification of all interested parties pursuant to KRS 186A.190 and 355.9-611, and a termination statement or proof that a termination statement has been filed. The new owner shall pay to the county clerk all applicable fees for titling and transferring the vehicle *or manufactured home* into his or her name. Upon receipt of the documents, the county clerk who issued the lien shall then omit from the new title application any information relating to the security interest under which the vehicle *or manufactured home* was repossessed or any security interest subordinate thereto. However, any security interest, as shown by the title which is superior to the one under which the vehicle *or manufactured home* was repossessed, shall be shown on the title issued by the clerk unless the prior secured party has discharged the security interest in the clerk's office or proof of termination is submitted, if the prior security interest was discharged in another clerk's office.

- (7) Whenever any vehicle *or manufactured home* brought into Kentucky is required to be titled and the vehicle *or manufactured home* is then subject to a security interest in another state as shown by the out-of-state documents presented to the clerk, the county clerk is prohibited from processing the application for title on the vehicle *or manufactured home* unless the owner obtains from the secured party a financing statement or title lien statement and presents same to the clerk along with the fees required in KRS 186A.190. The clerk shall note the out-of-state security interest on the certificate of title. This provision does not apply to vehicles required to be registered in Kentucky under forced registration provisions under KRS 186.145.
- (8) The fees provided for in this section are in addition to any state fee provided for by law.
- (9) Any person violating any provision of this section or any person refusing to surrender a certificate of title registration and ownership or transfer certificate upon request of any person entitled thereto, is subject to the penalties provided in subsection (1) of KRS 186.990.
- (10) The county clerk is prohibited from noting any security interest on a certificate of title on any vehicle *or manufactured home* subject to the provisions of KRS Chapter 186A if a certificate of title therefor is presented to the clerk which has all the spaces provided thereon for noting security interests fully exhausted. The owner is responsible for ensuring that a discharge is noted on the certificate of title for each security interest and then a duplicate title as provided for in KRS 186A.180 shall be obtained from the clerk by the owner of the vehicle *or manufactured home*.
- (11) Security interests in vehicles *or manufactured homes* sold to or owned by residents of other states shall be perfected in the state of the nonresident and repossession of the vehicle *or manufactured home* shall be taken pursuant to the laws of that state, unless:
 - (a) *1.* The vehicle is principally operated in Kentucky; *or*
2. The manufactured home is located in Kentucky;
 - (b) The vehicle *or manufactured home* is properly titled in Kentucky under KRS Chapter 186A; and
 - (c) The security interest is authorized to be noted on the certificate of title by the county clerk under KRS Chapter 186A.
- (12) A county clerk who accepts an authenticated termination statement and complies with the verification requirements of subsection (4)(a)1.b. of this section shall be held harmless from any liability arising from fraudulent termination statements.
- (13) *Any active lien that is recorded in AVIS on the effective date of this section of this Act shall not be considered to be stripped because of the county status.*
 ➔Section 10. KRS 186A.200 is amended to read as follows:
 - (1) With respect to a vehicle *or manufactured home* previously titled in the name of its debtor, the secured party shall, within thirty (30) days after execution of the security agreement, submit a title lien statement in accordance with KRS 186A.195.
 - (2) ~~For failure to present the title lien statement within the time prescribed by subsection (1) of this section, the secured party shall pay a penalty of two dollars (\$2) to the county clerk as a prerequisite for noting the security interest on the title.~~
- ~~(3)~~—]The county clerk shall enter the information required by KRS 186A.190(9) into the system of record established under KRS 186A.195, enabling the cabinet to record the lien in the system of record and produce a title.

➔SECTION 11. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

- (1) *In addition to any payment method authorized by law and notwithstanding any statute to the contrary, a county clerk may accept the following methods of payment to collect taxes, state fees, and county clerk fees under this chapter and KRS Chapters 138 and 186A:*
 - (a) *Credit card;*
 - (b) *Debit card;*
 - (c) *Electronic check;*
 - (d) *Automated clearinghouse (ACH) debit; or*
 - (e) *Any other electronic payment method upon the prior written approval of both the Finance and Administration Cabinet and the State Treasurer.*
- (2) (a) *Any fees charged to a county clerk by the provider of the payment services listed in subsection (1) of this section shall be deemed to represent collection expenses and may be considered normal operating expenses of the county clerk, or the county clerk may collect convenience fees from users to recover their costs of delivering services.*
 - (b) *Any fee that is charged by a county clerk pursuant to this section shall, as to the payor, be deemed an additional amount of the taxes, state fees, and county clerk fees collected and not a collection expense, separate fee, or separate charge.*
- (3) *In addition to any payment method authorized by law and notwithstanding any statute to the contrary, a county clerk may pay internal clerk's office accounts, the Transportation Cabinet, other state agencies, and taxing districts using automated clearinghouse (ACH) debit.*

➔Section 12. KRS 186.230 is amended to read as follows:

The county clerk shall see that KRS 186.005 to 186.260~~[in his county]~~ are enforced. In so doing, ~~the clerk[he]~~ shall:

- (1) Take all applications as provided in KRS 186.005 to 186.260;
- (2) Issue the receipts on blanks furnished by the cabinet;
- (3) Collect the fees due the state;
- (4) Distribute the registration plates furnished by the Transportation Cabinet and Department of Vehicle Regulation and keep a complete public record of all registrations for ~~the[his]~~ county~~[,]~~ in ~~the clerk's[his]~~ office;
- (5) (a) Report and remit each Monday to the Transportation Cabinet all moneys collected during the previous week, together with *an electronic copy*~~[a duplicate]~~ of all receipts issued by ~~the clerk[him]~~ during the same period. ~~The clerk[He]~~ shall make all *forms of payment*~~[checks]~~ payable to the State Treasurer.
- (b) ~~If[Unless]~~ the clerk *fails to file the report and remit the moneys required under this subsection*~~[forwards duplicates of all receipts issued by him during the reporting period with his report and remits the amount shown due by the report]~~ within seven (7) days after the report and remittance are due, ~~the clerk[he]~~ shall pay a penalty of one percent (1%) per month or fraction thereof on the amount of money shown to be due on the report.
- (c) The cabinet may~~[in its discretion]~~ grant a county clerk *an*~~[a reasonable]~~ extension of *up to ten (10) days*~~[time]~~ to file ~~the[his]~~ report and remit all moneys~~[not to exceed ten (10) days for any one (1) report]~~. The extension~~[however]~~ must be requested prior to the end of the seven (7) day period and shall begin to run at the end of ~~that[said]~~ period.
- (d) All penalties collected under this ~~subsection[provision]~~ shall be paid into the State Treasury as a part of the revenue collected under KRS 186.005 to 186.260;
- (6)~~—The clerk shall mail to the Transportation Cabinet one (1) duplicate of all receipts issued by him within two (2) weeks of the date of issuance. The Transportation Cabinet shall make the receipts pertaining to commercial vehicles available to the Department of Vehicle Regulation for use in assimilating data therefrom;~~

~~(7)~~ Account to the Transportation Cabinet for all registration plates and receipt forms consigned to *the clerk*~~him~~, at such time or times as the Transportation Cabinet may direct, and give the appropriate cabinet timely notice of a probable deficiency of plates or other supplies;

~~(7)~~~~(8)~~ **Place a lien on any vehicle or manufactured home for which the**~~Any~~ county clerk,~~who~~ in collecting the taxes and fees due the state or county clerk, accepts in payment~~thereof~~ a check which is not honored upon presentment. ~~The~~~~shall have a~~ lien on the vehicle **or manufactured home under this subsection shall be** for the amount of ~~the~~~~such~~ check. A~~This~~ lien **under this subsection** shall be subordinate to any prior perfected lien, either contractual or statutory;

~~(8)~~~~(9)~~ **Not permit a**~~No~~ person~~shall be permitted~~ to sell, trade, or transfer ownership of a motor vehicle **or manufactured home** if evidence is presented to the county clerk that any lien exists on the motor vehicle **or manufactured home**; and

~~(9)~~~~(10)~~ ~~The county clerk shall~~ Not issue to any manufacturer or dealer any registration plate other than a manufacturer's or dealer's plate, or registration plate which is under a dealer assignment pursuant to KRS 186A.230, except when the dealer registers a motor vehicle under a U-Drive-It permit, without collecting designated registration fees and applicable taxes.

➔Section 13. KRS 138.464 is amended to read as follows:

(1) The county clerk shall report each Monday to the department all moneys collected during the previous week~~together with a duplicate of all receipts issued by him during the same period~~.

(2) ~~(a) For collections prior to August 1, 2010,~~ The clerk shall deposit motor vehicle **and manufactured home** usage tax and sales and use tax collections **in accordance with**~~not later than the next business day following receipt in a Commonwealth of Kentucky, department account in a bank designated as a depository for state funds. The clerk may be required to then cause the funds to be transferred from the local depository bank to the State Treasury in whatever manner and at times prescribed by the commissioner of the department or his designee.~~

~~(b) For collections on or after August 1, 2010, the provisions of] KRS 131.155[shall apply].~~

~~(3) Failure to forward duplicates of all receipts issued during the reporting period or failure to file the weekly report of moneys collected within seven (7) working days after the report is due shall subject the clerk to a penalty of two and one half percent (2.5%) of the amount of moneys collected during the reporting period for each month or fraction thereof until the documents are filed.~~

~~(4)~~ Failure to deposit or, if required, transfer collections as required **in subsection (2) of this section**~~above~~ shall subject the clerk to a penalty of two and one-half percent (2.5%) of the amount not deposited or, if required, not transferred for each day until the collections are deposited or transferred as required above. The penalty for failure to deposit or transfer money collected shall not be less than fifty dollars (\$50) nor more than five hundred dollars (\$500) per day.

~~(4)~~~~(5)~~ The penalties provided in this section shall not apply if the failure of the clerk is due to reasonable cause.

~~(5)~~~~(6)~~ The department may in its discretion grant a county clerk a reasonable extension of time to file *the*~~his~~ report or make any transfer of deposits as required **in subsection (2) of this section**~~above~~. The extension, however, must be requested prior to the end of the seven (7) day period and shall begin to run at the end of said period.

~~(6)~~~~(7)~~ All penalties collected under this **section**~~provision~~ shall be paid into the State Treasury as a part of the revenue collected under KRS 138.450 to 138.729 and 139.778.

➔Section 14. KRS 186A.035 is amended to read as follows:

(1) (a) Except for vehicles described in paragraph (b) of this subsection, all motor vehicles, including motorcycles, with a gross vehicular weight of ten thousand (10,000) pounds or less, first registered, or for which the registration is renewed, shall be placed in a system of year-round registration based upon the birth date of the owner, in order to distribute the work of registering motor vehicles as uniformly as practicable throughout the twelve (12) months of the year.

(b) Owners of the following motor vehicles may elect to register these vehicles on an annual registration schedule of April 1 to March 31:

1. Farm vehicles registered under KRS 186.050(4); or

2. Motor vehicles with a gross vehicular weight of ten thousand (10,000) pounds or less that are owned by a business.
- (2) (a) If the owner of a motor vehicle is other than an individual, the month in which the owning entity came into being shall be used for purposes of this section.
 - (b) Except for motor vehicles jointly owned ~~by spouses~~ under paragraph (c) of this subsection, if a motor vehicle is jointly owned:
 1. One (1) of the owners, who is a resident of Kentucky, shall be identified as the designated owner;
 2. The designated owner shall indicate to the county clerk his or her birth date to be used for purposes of this section; and
 3. If the circumstances of ownership change and the designated owner is no longer an owner of the motor vehicle or no longer a resident of Kentucky, another owner may title the motor vehicle in his or her name if that owner is a resident of Kentucky. If none of the remaining owners are a resident of Kentucky, one (1) of the owners shall title the vehicle in that owner's state of residence.
 - (c) If a motor vehicle *or manufactured home* is jointly owned by a married couple, the ownership shall exist as a joint tenancy with right of survivorship, unless the registration expressly states to the contrary and gives an alternative specific status. One (1) of the owners shall indicate to the county clerk his or her birth date to be used for purposes of this section. Upon the death of one (1) of the spouses, the jointly-owned vehicle *or manufactured home* shall transfer to the surviving spouse free from payment of *a title application fee* ~~any state required transfer fees~~. The surviving spouse shall include a copy of the death certificate with the application for a new title. *If the surviving spouse wishes to obtain a printed copy of the title, the owner shall apply to the county clerk and pay the fee for a printed title in Section 4 of this Act.*
 - (d) A certificate of title:
 1. May bear the connector "AND" to designate joint ownership. If the "AND" connector is used, the signatures of all owners shall be required to transfer the certificate of title;
 2. May bear the connector "OR" to designate joint ownership. If the "OR" connector is used, the signature of only one (1) owner shall be required to transfer the certificate of title; and
 3. Shall not bear the connector "AND/OR" to designate joint ownership. If a title produced prior to June 27, 2025, bears the connector "AND/OR," the cabinet and the county clerk shall follow the procedures in subparagraph 1. of this paragraph in transferring the certificate of title, unless directed otherwise by a court.
- (3) The certificate of registration and license plate issued for a motor vehicle first registered, renewed, or titled in this state shall be valid until the expiration date on the registration receipt, unless revoked in accordance with KRS 186A.040 or canceled by the cabinet in accordance with KRS Chapter 186 or this chapter. Any transaction relating to registration or registration renewal which would cause an unexpired Kentucky motor vehicle license plate to be surrendered shall have that unexpired fee prorated or credited against any additional fee required by a subsequent registration.
 - (4) Except for vehicles registered under subsection (1)(b) of this section, KRS 186.041, 186.042, and 186.162 that have a specified, universal expiration date, after a motor vehicle has been initially placed in the system of year-round registration, the owner shall renew the registration annually during the owner's birth month, either by making application to the county clerk or on the cabinet's website, and paying the fee required for twelve (12) consecutive months of registration, which shall take effect on the first day of the month succeeding the owner's birth month and shall expire on the last day of the owner's next birth month. The county clerk shall collect the fees set forth in KRS 186.040(1) and (6) for each renewal.
 - (5) At least forty-five (45) days prior to the expiration of the registration of any motor vehicle previously registered in the Commonwealth as provided by subsection (1) of this section, the owner of the vehicle shall be notified ~~by mail or email~~ on the same notice required by KRS 134.805(5) of the date of expiration. Nonreceipt of the notice required by this subsection shall not constitute a defense to any registration-related offense.

- (6) Any owner who fails to renew the registration of a motor vehicle during the month in which the previous registration expired shall, if he or she applies for renewal of the registration in some later month, pay the same fees that would have been required if the registration had been renewed in the month which the previous registration expired, and, if applicable, the reinstatement fee for a cancelled registration required under KRS 186.040.
- (7) Fees which must be prorated in carrying out the intent of this section shall be prorated on the basis of twelfths of the annual registration fee. Any vehicle *or manufactured home* which is registered at any time during a month shall pay the fee required for that whole month plus any additional months of registration purchased consistent with the intent of the section.
- (8) The county clerk shall ensure that the certificate of registration issued to an owner displays the month and year in which the registration period begins and the month and year of its expiration, and shall issue to the owner a decal or decals corresponding to the month and year of expiration shown in the certificate of registration which shall be placed upon the corresponding license plate by the owner in the manner required by administrative regulations of the Department of Vehicle Regulation.

➔Section 15. KRS 186A.060 is amended to read as follows:

- (1) The Department of Vehicle Regulation is directed to develop, in cooperation with county clerks, auto dealers, *manufactured home retailers*, and the Department of Revenue, Department of Insurance, and Department of Kentucky State Police, the forms required to record all information pertinent to the registration, titling, and taxation of a vehicle *or manufactured home*.
- (2) The Department of Vehicle Regulation shall make every effort to minimize and reduce the amount of paperwork required to apply for, or transfer, a vehicle *or manufactured home* title. When possible, the title document itself shall be used as the primary form used to effect a transfer of vehicle *or manufactured home* ownership. The title document shall contain space exclusively reserved for a minimum of two (2) dealer assignments.
- (3) When no in-state title exists, forms shall be designed by the department that require only the appropriate and essential information to effect the application for title.
- (4)
 - (a) The department shall constantly review the information needs of government agencies and other organizations with the goal of reducing or eliminating unnecessary documentation. Information being sought for application for title relevant to, but not limited to, vehicle *or manufactured home* identification, owner, buyer, usage tax, county clerk, or inspector shall be set forth by the cabinet in such a way as to promote flexibility in reaching this goal.
 - (b) Subject to the limitations of paragraph (c) of this subsection, an applicant for a motor vehicle title shall be required to provide his or her Kentucky operator's license number, Kentucky personal identification card number, or Social Security number as part of the application process.
 - (c) If a motor vehicle is jointly owned, one (1) of the owners, who is a resident of Kentucky, shall be identified as the designated owner, and only the designated owner shall be required to provide his or her Kentucky operator's license number, Kentucky personal identification card number, or Social Security number as part of the application process.
 - (d) Any vehicle *or manufactured home* owned by a business that is licensed by the Secretary of State shall be titled and registered using a Federal Employer Identification Number.
 - (e) An applicant for a motor vehicle registration shall be required to provide his or her Kentucky operator's license, *Kentucky personal identification card*, or Social Security number as part of the application process.
 - (f) *An applicant for a manufactured home registration shall be required to provide his or her Kentucky operator's license, Kentucky personal identification card, or Social Security number.*
 - (g) If a motor vehicle has situs and is principally operated in Kentucky, and the owner does not reside in the Commonwealth, the motor vehicle shall be registered with the owner's Social Security number and out-of-state operator's license number.
- (5) The use of an electronic medium shall be employed so that forms can be printed by the automated system. Existing statutory language in this chapter and KRS Chapter 186 pertaining to application, signature, forms, or application transfer record may be construed to be electronic in nature at the discretion of the cabinet as provided for by administrative regulation.

- (6) Any person who knowingly enters, or attests to the entry of, false or erroneous information in pursuit of a certificate of title shall be guilty of forgery in the second degree.

➔Section 16. KRS 186.077 is amended to read as follows:

- (1) As used in this section:

(a) "Local government" means a city, county, charter county government, urban-county government, consolidated local government, or unified local government;

(b) 1. "Special purpose vehicle" means an all-terrain vehicle, utility terrain vehicle, minitruck, pneumatic-tired military vehicle, or full-size special purpose-built vehicle, including a vehicle that is self-constructed or built by the original equipment manufacturer and a vehicle that has been modified.

2. "Special purpose vehicle" does not include a low-speed vehicle as defined in KRS 186.010; and

(c) 1. "Street-legal special purpose vehicle" means a special purpose vehicle that meets the requirements of this section and is equipped with all of the following:

a. One (1) or more headlamps;

b. One (1) or more tail lamps;

c. One (1) or more brake lamps;

d. A trail lamp or other lamp constructed and placed to illuminate the registration plate with a white light;

e. One (1) or more red reflectors on the rear of the vehicle;

f. An amber electric turn system, one (1) on each side of the front of the vehicle;

g. Amber or red electric turn signals on the rear of the vehicle;

h. A braking system, other than a parking brake;

i. A horn or other warning device;

j. A working muffler;

k. Rearview mirrors on the right and left side of the driver;

l. A windshield, unless the operator of the vehicle wears eye protection while operating the vehicle;

m. A speedometer, illuminated for nighttime operation;

n. A roll bar or roll cage;

o. For multi-passenger vehicles, a seatbelt assembly that conforms to the federal motor vehicle safety standard provided in 49 C.F.R. sec. 571.209 for each designated seating position; and

p. Tires that have at least two thirty-seconds (2/32) of an inch or greater tire tread.

2. "Street-legal special purpose vehicle" does not include a low-speed vehicle as defined in KRS 186.010 or a vehicle primarily used for farm or agricultural activities.

- (2) A person shall not operate a street-legal special purpose vehicle on a highway if:

(a) The highway is located within the jurisdictional boundaries of a local government where the operation of special purpose vehicles has not been allowed by local ordinance;

(b) The highway is a controlled-access system, including but not limited to an interstate or parkway; or

(c) The United States Department of Agriculture prohibits special purpose vehicles where the highway is located.

- (3) Nothing in this section authorizes the operation of a street-legal special purpose vehicle in an area that is not open to motor vehicle use.

- (4) Street-legal special purpose vehicles are prohibited from traveling a distance greater than twenty (20) miles on a highway displaying centerline pavement markings.
- (5) Minitrucks shall not be operated as street-legal special purpose vehicles on a highway that has been constructed pursuant to a federal highway program.
- (6) Except as otherwise provided in this section, a street-legal special purpose vehicle shall:
 - (a) Be registered in accordance with KRS 186.020;
 - (b) Be insured by the owner or operator for the payment of tort liabilities in the same form and amounts as set forth in KRS 304.39-110 for motorcycles; and
 - (c) Comply with all other requirements in this chapter.
- (7) Upon registration of any street-legal special purpose vehicle under KRS 186.020, the county clerk shall issue the owner a motorcycle registration plate for the vehicle.
- (8) Street-legal special purpose vehicles shall have an inspection completed by a certified inspector as required by KRS 186A.115.
- (9) An applicant renewing his or her registration for a street-legal special purpose vehicle pursuant to KRS 186.020 shall **be considered to have certified**~~certify~~ that the street-legal special purpose vehicle still meets all of the equipment requirements in subsection (1)(c)1. of this section.
- (10) The Transportation Cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement this section.

➔Section 17. KRS 186.170 is amended to read as follows:

- (1) (a) Except as provided in this subsection and KRS 186A.127 and 186.045, the owner shall have the receipt issued by the cabinet through the county clerk constantly in his possession, and shall display the registration plate conspicuously upon the rear of the motor vehicle, except that the registration plate upon a semitrailer-tractor shall be displayed upon the front of the tractor.
 - (b) The owner's copy, or a reproduced copy thereof, of the registration receipt of every motor vehicle, except motorcycles, licensed under KRS 186.050 shall be kept in the vehicle at all times and shall be available for inspection.
 - (c) Plates shall be kept legible at all times and the rear plate shall be illuminated when being operated during the hours designated in KRS 189.030. No rim, frame, or other covering around the plate shall in any way obscure or cover any lettering or decal on the plate~~[- except that, any owner who objects to the display of a trademark of a private corporation which appears on the registration plate shall be entitled to receive a set of decals from the county clerk in his or her county of residence to cover the trademark of the private corporation. The owner may apply for the decal by presenting his or her certificate of registration either at the time of registration renewal or later. The county clerk shall charge a three dollar (\$3) clerk's fee for issuing the decal set if it is applied for a time other than at registration renewal].~~
 - (d) If the cabinet has prescribed that plates shall continue in use, it shall each year, in addition to the registration receipt, select and give to the owner as further evidence of registration some insignia which may conveniently be attached permanently and conspicuously to the motor vehicle during each registration year. It shall be the duty of the owner to attach the insignia in the prescribed manner and no person may operate a motor vehicle unless the insignia is affixed upon it. The cabinet shall have placed on the insignia either figures, letters, writing, marks, or a combination thereof, which indicate that the motor vehicle has been registered and which in conjunction with the records of the cabinet make identity of the registrant readily ascertainable.
- (2) The registration year for commercial vehicles, trailers, semitrailers, mobile homes, and recreational vehicles shall be from April 1 to March 31.
 - (3) At the discretion of the vehicle owner, the title to a motor vehicle may be held in the system and subsequently printed and mailed to the owner at the owner's request.

➔Section 18. KRS 235.066 is amended to read as follows:

At least thirty (30) days prior to the expiration of registration of any motorboat previously registered in the Commonwealth as provided by KRS 235.070, the owner of the motorboat shall be notified~~[- by mail]~~ on the same

notice required by KRS 134.805(5) of the date of expiration. In addition, the Transportation Cabinet shall provide appropriate forms and information to permit renewal of motorboat registration to be completed by mail. Any registration renewal by mail shall require payment of an additional two dollars (\$2) fee which shall be received by the county clerk. Nonreceipt of the notice herein shall not constitute a defense to any registration related offense.

➔Section 19. KRS 142.010 is amended to read as follows:

- (1) The following taxes shall be paid:
 - (a) A tax of four dollars and fifty cents (\$4.50) on each marriage license;
 - (b) A tax of four dollars (\$4) on each power of attorney to convey real or personal property;
 - (c) A tax of four dollars (\$4) on each mortgage, financing statement, or security agreement and on each notation of a security interest on a certificate of title under KRS 186A.190;
 - (d) A tax of four dollars (\$4) on each conveyance of real property; and
 - (e) A tax of four dollars (\$4) on each lien or conveyance of coal, oil, gas, or other mineral right or privilege.
- (2) The tax imposed by this section shall be collected by each county clerk as a prerequisite to the issuance of a marriage license or the original filing of an instrument subject to the tax. Subsequent assignment of the original instrument shall not be cause for additional taxation under this section. This section shall not be construed to require any tax upon a deed of release of a lien retained in a deed or mortgage.
- (3)
 - (a) ***Except as provided in paragraph (b) of this subsection***, taxes imposed under this section shall be reported and paid to the Department of Revenue by each county clerk within ten (10) days following the end of the calendar month in which instruments subject to tax are filed or marriage licenses issued. Each remittance shall be accompanied by a summary report on a form prescribed by the department.
 - (b) ***The tax on the notation of a security interest on a certificate of title under KRS 186A.190 shall be reported and paid through AVIS and the electronic title application and registration system established under KRS 186A.017, in accordance with the procedures set forth in Section 12 of this Act.***
- (4) Any county clerk who violates any of the provisions of this section shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180. In every case, any tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until the date of payment.
- (5)
 - (a) One dollar (\$1) of the amount collected under each paragraph of subsection (1) of this section shall be placed in an agency fund in the Department for Libraries and Archives to be used exclusively for the purpose of preserving and retaining public records by continuing the local records grant program active in the Department for Libraries and Archives.
 - (b) Ninety percent (90%) of all funds allocated to the Department for Libraries and Archives under paragraph (a) of this subsection for the local records grant program shall be set aside for grants to county clerks and distributed annually, except as provided in paragraph (c) of this subsection.
 - (c) If there are insufficient grant applications from county clerks for the Department for Libraries and Archives to distribute ninety percent (90%) of all funds allocated under paragraph (a) of this subsection, the Department for Libraries and Archives may grant those funds to other agencies.

➔Section 20. KRS 189.010 is amended to read as follows:

As used in this chapter:

- (1) "Department" means the Department of Highways;
- (2) "Crosswalk" means:
 - (a) That part of a roadway at an intersection within the connections of the lateral lines of the sidewalks on opposite sides of the highway measured from the curbs or in the absence of curbs, from the edges of the traversable roadway; or
 - (b) Any portion of a roadway at an intersection or elsewhere distinctly indicated for pedestrian crossing by lines or other markings on the surface;

- (3) "Highway" means any public road, street, avenue, alley or boulevard, bridge, viaduct, or trestle and the approaches to them and includes private residential roads and parking lots covered by an agreement under KRS 61.362, off-street parking facilities offered for public use, whether publicly or privately owned, except for-hire parking facilities listed in KRS 189.700;
- (4) "Intersection" means:
- (a) The area embraced within the prolongation or connection of the lateral curb lines, or, if none, then the lateral boundary lines of the roadways of two (2) highways which join one another, but do not necessarily continue, at approximately right angles, or the area within which vehicles traveling upon different highways joining at any other angle may come into conflict; or
 - (b) Where a highway includes two (2) roadways thirty (30) feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate intersection. If the intersecting highway also includes two (2) roadways thirty (30) feet or more apart, every crossing of two (2) roadways of the highways shall be regarded as a separate intersection. The junction of a private alley with a public street or highway shall not constitute an intersection;
- (5) "Manufactured home" has the same meaning as defined in KRS 186.650;
- (6) "Motor truck" means any motor-propelled vehicle designed for carrying freight or merchandise. It shall not include self-propelled vehicles designed primarily for passenger transportation but equipped with frames, racks, or bodies having a load capacity of not exceeding one thousand (1,000) pounds;
- (7) "Operator" means the person in actual physical control of a vehicle;
- (8) "Pedestrian" means any person afoot or in a wheelchair;
- (9) "Right-of-way" means the right of one (1) vehicle or pedestrian to proceed in a lawful manner in preference to another vehicle or pedestrian approaching under such circumstances of direction, speed, and proximity as to give rise to danger of collision unless one grants precedence to the other;
- (10) "Roadway" means that portion of a highway improved, designed, or ordinarily used for vehicular travel, exclusive of the berm or shoulder. If a highway includes two (2) or more separate roadways, the term "roadway" as used herein shall refer to any roadway separately but not to all such roadways collectively;
- (11) "Safety zone" means the area or space officially set apart within a roadway for the exclusive use of pedestrians and which is protected or is so marked or indicated by adequate signs as to be plainly visible at all times while set apart as a safety zone;
- (12) "Semitrailer" means a vehicle designed to be attached to, and having its front end supported by, a motor truck or truck tractor, intended for the carrying of freight or merchandise and having a load capacity of over one thousand (1,000) pounds;
- (13) "Truck tractor" means any motor-propelled vehicle designed to draw and to support the front end of a semitrailer. The semitrailer and the truck tractor shall be considered to be one (1) unit;
- (14) "Sharp curve" means a curve of not less than thirty (30) degrees;
- (15) "State Police" includes any agency for the enforcement of the highway laws established pursuant to law;
- (16) "Steep grade" means a grade exceeding seven percent (7%);
- (17) "Trailer" means any vehicle designed to be drawn by a motor truck or truck-tractor, but supported wholly upon its own wheels, intended for the carriage of freight or merchandise and having a load capacity of over one thousand (1,000) pounds;
- (18) "Unobstructed highway" means a straight, level, first-class road upon which no other vehicle is passing or attempting to pass and upon which no other vehicle or pedestrian is approaching in the opposite direction, closer than three hundred (300) yards;
- (19) (a) "Vehicle" includes:
- 1. All agencies for the transportation of persons or property over or upon the public highways of the Commonwealth; and
 - 2. All vehicles passing over or upon the highways.
- (b) "Motor vehicle" includes all vehicles, as defined in paragraph (a) of this subsection, except:

1. Road rollers;
 2. Road graders;
 3. Farm tractors;
 4. Vehicles on which power shovels are mounted;
 5. Construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways;
 6. Vehicles that travel exclusively upon rails;
 7. Vehicles propelled by electric power obtained from overhead wires while being operated within any municipality or where the vehicles do not travel more than five (5) miles beyond the city limits of any municipality;
 8. Vehicles propelled by muscular power; and
 9. Electric low-speed scooters;
- (20) "Reflectance" means the ratio of the amount of total light, expressed in a percentage, which is reflected outward by the product or material to the amount of total light falling on the product or material;
- (21) "Sunscreening material" means a product or material, including film, glazing, and perforated sunscreening, which, when applied to the windshield or windows of a motor vehicle, reduces the effects of the sun with respect to light reflectance or transmittance;
- (22) "Transmittance" means the ratio of the amount of total light, expressed in a percentage, which is allowed to pass through the product or material, including glazing, to the amount of total light falling on the product or material and the glazing;
- (23) "Window" means any device designed for exterior viewing from a motor vehicle, except the windshield, any roof-mounted viewing device, and any viewing device having less than one hundred fifty (150) square inches in area;
- (24) "All-terrain vehicle" means any motor vehicle used for recreational off-road use;
- (25) "Nondivisible load," as pertains to state highways that are not part of the national truck network established pursuant to 23 C.F.R. pt. 658, means a load or vehicle, that if separated into smaller loads or vehicles:
- (a) Compromises the intended use of the vehicle, making it unable to perform the function for which it was intended;
 - (b) Destroys the value of the load or vehicle, making it unusable for its intended purpose; or
 - (c) Requires more than four (4) work hours to dismantle and reassemble using appropriate equipment;
- (26) "Electric low-speed scooter" means a device that:
- (a) Weighs less than one hundred (100) pounds;
 - (b) Is equipped with wheels;
 - (c) Is equipped with handlebars;
 - (d) Is equipped with a brake adequate enough to stop and park the device;
 - (e) Is designed to be stood or sat upon;
 - (f) Is propelled by an electric motor, human power, or both; and
 - (g) Is designed to operate at a maximum speed of twenty (20) miles per hour, on a paved level surface, with or without human propulsion; ~~and~~
- (27) "Highway work zone" means that portion of a highway and the affected area adjacent to a lane, berm, or shoulder, including a sidewalk, upon which construction, reconstruction, resurfacing, maintenance, inspection, or other work of that nature is being conducted by a government agency, private contractor, or utility company; **and**

- (28) *"Weigh station bypass system" means an intelligent transportation system that offers weigh station bypass, safety alerts, and related services to enhance the efficiency and safety of commercial motor carrier operations.*

➔Section 21. KRS 189.231 is amended to read as follows:

- (1) The secretary of transportation may install and maintain traffic control devices upon state-maintained highways in such manner as is reasonably necessary to promote the safety and convenience of the traveling public.
- (2) The driver of any vehicle shall obey the instructions of any **applicable** official traffic control device **or state-approved weigh station bypass system**~~applicable thereto~~ unless otherwise directed by a traffic or police officer, subject to the exceptions granted the driver of an authorized emergency vehicle.
- (3) The secretary of transportation may restrict or regulate traffic upon state-maintained highways in such a manner as is reasonably necessary to promote the safety of the traveling public.

➔Section 22. KRS 186.416 is amended to read as follows:

- (1) If a resident of the Commonwealth currently serving in the United States military is stationed or assigned to a base or other location outside the boundaries of the Commonwealth, the resident, or the resident's spouse or dependents, may:
 - (a) Update his or her license electronically or by mail to include a motorcycle operator's endorsement on an existing operator's license; or
 - (b) Renew a Class D operator's license issued under this section by mail. If the resident, or his or her spouse or dependents, was issued an "under 21" operator's license, upon the date of the license holder's twenty-first birthday, the "under 21" operator's license may be renewed for an operator's license that no longer contains the outdated reference to being "under 21."
- (2) A resident of the Commonwealth renewing an operator's license by mail under subsection (1) of this section may have a personal designee apply to the cabinet on behalf of the resident to renew the resident's operator's license. An operator's license for which an endorsement is being added electronically or by mail, or which is being renewed by mail under subsection (1) of this section shall be issued a license bearing the applicant's historical photo if there is a photo on file. If there is no photo on file, the license shall be issued without a photograph and shall show in the space provided for the photograph the legend "valid without photo and signature."
- (3)
 - (a)
 1. If a resident of the Commonwealth has been serving in the United States military stationed or assigned to a base or other location outside the boundaries of the Commonwealth and has allowed his or her operator's license to expire, he or she shall, within ninety (90) days of returning to the Commonwealth, be permitted to renew his or her license without having to take a written test or road test.
 2. The spouse or dependent of a person identified in subparagraph 1. of this paragraph shall be afforded the same consideration identified in that subparagraph regarding the renewal of an expired operator's license.
 - (b) A person who meets the criteria in paragraph (a) of this subsection shall not be convicted or cited for driving on an expired license prior to license renewal during the ninety (90) days after the person's return to the Commonwealth if the person can provide proof of his or her out-of-state service and dates of assignment.
 - (c) A person who meets the criteria in paragraph (a) of this subsection and who does not renew his or her license within ninety (90) days of returning to the Commonwealth shall be required to comply with the provisions of this chapter governing renewal of a license that has expired.†
 - ~~(d) If a resident of the Commonwealth has been issued an "under 21" or "under 21 CDL" operator's license and the person is unable to renew the license on the date of his or her twenty-first birthday, the "under 21" or "under 21 CDL" operator's license shall be valid for ninety (90) days beyond the date of the person's twenty-first birthday.†~~
- (4)
 - (a) Any person who served in the active Armed Forces of the United States, including the Coast Guard, and any member of the National Guard or Reserve Component who completed the member's term of service and was released, separated, discharged, or retired therefrom under either an honorable discharge or a

general under honorable conditions discharge may, at the time of initial application or application for renewal or duplicate, request that an operator's license or a personal identification card issued under this chapter bear the word "veteran" on the face or the back of the license or personal identification card.

- (b) The designation shall be in a style and format considered appropriate by the Transportation Cabinet. Prior to obtaining a designation requested under this subsection, the applicant shall present to the cabinet as proof of eligibility, an original or copy of his or her:
1. Unexpired Veteran Identification Card or Veteran Health Identification Card issued by the United States Department of Veterans Affairs;
 2. DD-2, DD-214, DD-256, DD-257, or NGB-22 form; or
 3. Unexpired Geneva Conventions Identification Card issued by the United States Department of Defense.

The cabinet shall not be liable for fraudulent or misread forms presented.

- (5) The cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish forms and procedures for facilitating the addition of a motorcycle endorsement to an existing operator's license, both electronically and by mail, in accordance with subsection (1) of this section.

➔Section 23. KRS 186A.555 is amended to read as follows:

- (1) ~~Notwithstanding the provisions of~~ KRS 186A.500 to 186A.550 ~~[notwithstanding]~~, the owner of a motor vehicle that has been damaged solely by hail shall have the regular title of the vehicle branded as follows "Hail Damage" if:
- (a) The vehicle is in a condition that it can be legally operated on the highway;
 - (b) The total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-hail condition exceeds seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110; and
 - (c) The owner intends to retain ownership of the vehicle.
- (2) A person seeking to have the title of a vehicle branded for hail damage under subsection (1) of this section shall present the sheriff with a statement from the person's insurance company that the damage exceeds seventy-five percent (75%) of the retail value of the vehicle and is solely the result of hail damage, and shall have the vehicle inspected by the sheriff of the county in which the vehicle is registered. Upon completion of inspection of the vehicle, the sheriff shall indicate on the vehicle transaction record form if he or she has received a statement from the person's insurance company that the damage to the vehicle is the result of hail damage and if the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-hail condition exceeds seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110. The sheriff shall be paid a fee of ~~five dollars (\$5)~~ **fifteen dollars (\$15)** to conduct an inspection under this subsection.
- (3) Upon completion of the inspection required under subsection (2) of this section, a person shall take the vehicle transaction record form and the title to the vehicle to the office of the county clerk in the county in which the vehicle is registered. If the sheriff has certified on the vehicle transaction record form that the damage to the vehicle is the result of hail damage and if the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-hail condition exceeds seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110, ~~the title shall not be surrendered to the clerk, but the clerk shall stamp on the face of the title "Hail Damage". The~~ clerk shall ~~also~~ enter into the Automated Motor Vehicle Registration System (AVIS) the information **required to brand** ~~that~~ the title **with a** ~~has been branded in the clerk's office~~ "Hail Damage" **brand**. The county clerk shall be paid a fee of three dollars (\$3) to carry out ~~the provisions of~~ this subsection.
- (4) A title branded "Hail Damage" under the provisions of subsection (3) of this section shall retain the brand for as long as the person holds title to the vehicle, and upon the sale or transfer of the vehicle, the new title issued shall continue to carry the brand "Hail **Damage**." ~~"Damage".~~
- (5) An insurance company shall not render payment on a vehicle damaged solely by hail in excess of seventy-five percent (75%) of the retail value of the vehicle until the title has been branded "Hail **Damage**." ~~"Damage".~~

➔Section 24. KRS 177.979 is amended to read as follows:

- (1) Any person engaged in the mining, processing, transporting or sale of coal that provides for the transportation of coal in vehicles exceeding the maximum weight limits on the state-maintained system shall enter into a cooperative agreement with the Department of Highways, or give bond for damages as **required by the cabinet**~~[provided by KRS 189.271]~~, if a road to be used is not part of the extended weight coal or coal by-products haul road system. However, if a resolution issued pursuant to KRS 177.9771(9) on a road with a maximum allowable gross weight of eighty thousand (80,000) pounds is approved by the Transportation Cabinet, a cooperative agreement shall not be required. Such cooperative agreements shall provide for an equitable apportionment of the incremental costs for design, maintenance, construction, or reconstruction of those roads and bridges, except those roads and bridges which are part of the federal interstate highway system, resulting from the transportation of coal by trucks transporting coal in excess of the maximum weight limits on the state-maintained system and covered by the cooperative agreement. Nothing contained herein shall **affect**~~[effect]~~ the continuing validity of any existing agreement.
- (2) Notwithstanding KRS Chapter 143, the total tax contributions from any person entering into a cooperative agreement, as specified in this section, shall not exceed, in the aggregate, the sum of five thousand dollars (\$5,000) per mile per year on those roads covered by the cooperative agreement, but shall equal a minimum of one thousand two hundred dollars (\$1,200) per motor vehicle hauling coal over those cooperative road segments over three (3) miles in length, but such contribution shall not exceed ten cents (\$.10) per ton of coal hauled on cooperative roads per year from an individual coal operator unless otherwise agreed to by the operator. The Transportation Cabinet may allow any person, under the cooperative agreement, to provide for the design, approved maintenance, construction, or reconstruction provided for in subsection (1) of this section in accordance with guidelines or standards prescribed by the cabinet. In the event any person exceeds his annual total tax contribution as authorized under a cooperative agreement, such person may petition the commissioner of vehicle regulation for a carry over for future years liability. All funds collected pursuant to this section shall be expended on those roads covered by the cooperative agreement.
- (3) Notwithstanding~~[any provision of]~~ KRS 177.976 to 177.981, the Commonwealth shall not be relieved of expending its normal routine maintenance on all roads covered by the cooperative agreements.
- (4) Any person who entered into a cooperative agreement may terminate it upon submitted written notice to the Department of Highways.
- (5) If the person requesting termination of the cooperative agreement has reported to the Transportation Cabinet that fifty thousand (50,000) or more tons of coal have been transported over the road covered by the cooperative agreement, the Transportation Cabinet shall immediately, by official order or emergency administrative regulation, add the road segment to the list of roads currently comprising the extended weight coal or coal by-products haul road system.
- (6) ***The Transportation Cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish bonding requirements for subsection (1) of this section.***

➔Section 25. KRS 189.272 is amended to read as follows:

The District Court where the offense occurred shall have venue and jurisdiction with the courts of this Commonwealth of all prosecutions for violations of the weight provisions of KRS 189.221, 189.222, 189.226, 189.230, 189.270, **189.2713, and 189.2717**~~[and 189.271]~~.

➔Section 26. KRS 189.990 is amended to read as follows:

- (1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsection (1) or (4) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.285, subsection (1) or (2) of KRS 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, KRS 189.450 to 189.458, KRS 189.4595 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, KRS 189.570 to 189.590, except subsection (1)(b) or (6)(b) of KRS 189.580, KRS 189.345, subsection (6) of KRS 189.456, and 189.960 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense. Any person who violates subsection (1)(a) of KRS 189.580 shall be fined not less than twenty dollars (\$20) nor more than two thousand dollars (\$2,000) or imprisoned in the county jail for not more than one (1) year, or both, unless the accident involved death or serious physical injury and the person knew or should have known of the death or serious physical injury, in which case the person shall be guilty of a Class D felony. Any person who violates paragraph (c) of subsection (5) of KRS 189.390 shall be fined not less than eleven dollars (\$11) nor more than thirty dollars (\$30). Neither court costs nor fees shall be taxed against any person violating paragraph (c) of subsection (5) of KRS 189.390.

- (2) (a) 1. Except as provided in subparagraph 2. of this paragraph, any person who violates the weight provisions of KRS 189.212, 189.221, 189.222, 189.226, 189.230, 189.270, or 189.2713 shall be fined two cents (\$0.02) per pound for each pound of excess load when the excess is five thousand (5,000) pounds or less. When the excess exceeds five thousand (5,000) pounds the fine shall be two cents (\$0.02) per pound for each pound of excess load, but the fine levied shall not be less than one hundred dollars (\$100) and shall not be more than five hundred dollars (\$500).
2. Any person who violates a posted bridge weight limit on a state-maintained bridge that is more than seventy-five (75) years old shall be fined:
- a. Five hundred dollars (\$500) for the first offense;
 - b. One thousand dollars (\$1,000) for the second offense within a one (1) year period; and
 - c. Two thousand dollars (\$2,000) for any subsequent offense within a one (1) year period.
- The Transportation Cabinet shall erect signs warning drivers of the increased fines in this subparagraph. Signs erected under this subparagraph shall be placed in such a manner that drivers are given adequate warning in order to exit the road prior to crossing the bridge. If warning signs are not erected in accordance with this subparagraph, the fines in this subparagraph shall not apply and violators shall be fined under subparagraph 1. of this paragraph.
- ~~(b) Any person who violates the provisions of KRS 189.271 and is operating on a route designated on the permit shall be fined one hundred dollars (\$100); otherwise, the penalties in paragraph (a) of this subsection shall apply.~~
- ~~(c)~~ Any person who violates any provision of subsection (2) or (3) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.2713, 189.280, or the dimension provisions of KRS 189.212, for which another penalty is not specifically provided shall be fined not less than ten dollars (\$10) nor more than five hundred dollars (\$500).
- ~~(c)~~~~(d)~~ 1. Any person who violates the provisions of KRS 177.985 while operating on a route designated in KRS 177.986 shall be fined one hundred dollars (\$100).
2. Any person who operates a vehicle with a permit under KRS 177.985 in excess of eighty thousand (80,000) pounds while operating on a route not designated in KRS 177.986 shall be fined one thousand dollars (\$1,000).
- ~~(d)~~~~(e)~~ Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the Department of Vehicle Regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.
- (3) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars (\$15).
- (b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars (\$35) nor more than two hundred dollars (\$200).
- (4) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).
- (b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).
- (c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.
- (5) Any person who violates KRS 189.370 shall for the first offense be fined not less than one hundred dollars (\$100) nor more than two hundred dollars (\$200) or imprisoned not less than thirty (30) days nor more than sixty (60) days, or both. For each subsequent offense occurring within three (3) years, the person shall be fined not less than three hundred dollars (\$300) nor more than five hundred dollars (\$500) or imprisoned not less than sixty (60) days nor more than six (6) months, or both. The minimum fine for this violation shall not be

- subject to suspension. A minimum of six (6) points shall be assessed against the driving record of any person convicted.
- (6) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars (\$15) in excess of the cost of the repair of the road.
 - (7) Any person who violates KRS 189.510 or KRS 189.515 shall be fined not less than twenty dollars (\$20) nor more than fifty dollars (\$50).
 - (8) Any peace officer who violates subsection (2) of KRS 189.520 shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100).
 - (9)
 - (a) Any person who violates KRS 189.530(1) shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100), or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.
 - (b) Any person who violates KRS 189.530(2) shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100).
 - (10) Any person who violates any of the provisions of KRS 189.550 shall be guilty of a Class B misdemeanor.
 - (11) Any person who violates subsection (3) of KRS 189.560 shall be fined not less than thirty dollars (\$30) nor more than one hundred dollars (\$100) for each offense.
 - (12) The fines imposed by paragraph (a) of subsection (3) and subsections (6) and (7) of this section shall, in the case of a public highway, be paid into the county road fund, and, in the case of a privately owned road or bridge, be paid to the owner. These fines shall not bar an action for damages for breach of contract.
 - (13) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.
 - (14) Any person who violates any provision of KRS 189.575 shall be fined not less than twenty dollars (\$20) nor more than twenty-five dollars (\$25).
 - (15) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.
 - (16) Any person who violates restrictions or regulations established by the secretary of transportation pursuant to subsection (3) of KRS 189.231 shall, upon first offense, be fined one hundred dollars (\$100) and, upon subsequent convictions, be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) or imprisoned for thirty (30) days, or both.
 - (17)
 - (a) Any person who violates any of the provisions of KRS 189.565 shall be guilty of a Class B misdemeanor.
 - (b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name the vehicle used in the transportation of inflammable liquids or explosives is licensed, the person shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500). Each violation shall constitute a separate offense.
 - (18) Any person who abandons a vehicle upon the right-of-way of a state highway for three (3) consecutive days shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100), or imprisoned for not less than ten (10) days nor more than thirty (30) days.
 - (19) Every person violating KRS 189.393 shall be guilty of a Class B misdemeanor, unless the offense is being committed by a defendant fleeing the commission of a felony offense which the defendant was also charged with violating and was subsequently convicted of that felony, in which case it is a Class A misdemeanor.
 - (20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157.
 - (21) A person who operates a bicycle in violation of the administrative regulations promulgated pursuant to KRS 189.287 shall be fined not less than ten dollars (\$10) nor more than one hundred dollars (\$100).
 - (22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both.
 - (23) Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars (\$25) nor more than three hundred dollars (\$300).

- (24) Any person who violates the provisions of KRS 189.125(3)(a) shall be fined fifty dollars (\$50). This fine shall be subject to prepayment. A fine imposed under this subsection shall not be subject to court costs pursuant to KRS 24A.175, additional court costs pursuant to KRS 24A.176, the fee imposed pursuant to KRS 24A.1765, or any other additional fees or costs.
- (25) Any person who violates the provisions of KRS 189.125(3)(b) shall not be issued a uniform citation, but shall instead receive a courtesy warning up until July 1, 2009. For a violation on or after July 1, 2009, the person shall be fined thirty dollars (\$30). This fine shall be subject to prepayment. A fine imposed under this subsection shall not be subject to court costs pursuant to KRS 24A.175, additional court costs pursuant to KRS 24A.176, a fee imposed pursuant to KRS 24A.1765, or any other additional fees or costs. A person who has not been previously charged with a violation of KRS 189.125(3)(b) may elect to acquire a booster seat meeting the requirements of KRS 189.125. Upon presentation of sufficient proof of the acquisition, the charge shall be dismissed and no fees or costs shall be imposed.
- (26) Any person who violates the provisions of KRS 189.125(6) shall be fined an amount not to exceed twenty-five dollars (\$25). This fine shall be subject to prepayment. A fine imposed under this subsection shall not be subject to court costs pursuant to KRS 24A.175, additional court costs pursuant to KRS 24A.176, the fee imposed pursuant to KRS 24A.1765, or any other additional fees or costs.
- (27) Fines levied pursuant to this chapter shall be assessed in the manner required by KRS 534.020, in amounts consistent with this chapter. Nonpayment of fines shall be governed by KRS 534.020 and 534.060.
- (28) A licensed driver under the age of eighteen (18) charged with a moving violation pursuant to this chapter as the driver of a motor vehicle may be referred, prior to trial, by the court to a diversionary program. The diversionary program under this subsection shall consist of one (1) or both of the following:
- (a) Execution of a diversion agreement which prohibits the driver from operating a vehicle for a period not to exceed forty-five (45) days and which allows the court to retain the driver's operator's license during this period; and
 - (b) Attendance at a driver improvement clinic established pursuant to KRS 186.574. If the person completes the terms of this diversionary program satisfactorily the violation shall be dismissed.
- (29) A person who violates the provisions of subsection (2) or (3) of KRS 189.459 shall be fined two hundred fifty dollars (\$250). The fines and costs for a violation of subsection (2) or (3) of KRS 189.459 shall be collected and disposed of in accordance with KRS 24A.180. Once deposited into the State Treasury, ninety percent (90%) of the fine collected under this subsection shall immediately be forwarded to the personal care assistance program under KRS 205.900 to 205.920. Ten percent (10%) of the fine collected under this subsection shall annually be returned to the county where the violation occurred and distributed equally to all law enforcement agencies within the county.
- (30) Any person who violates KRS 189.292 or 189.294 shall be fined twenty-five dollars (\$25) for the first offense and fifty dollars (\$50) for each subsequent offense.
- (31) Any person who violates KRS 189.281(5) or (7)(b) shall be subject to a fine of two hundred fifty dollars (\$250). This fine shall be subject to prepayment. A fine imposed under this subsection shall not be subject to court costs pursuant to KRS 24A.175, additional costs pursuant to KRS 24A.176, the fee imposed pursuant to KRS 24A.1765, or any other additional fees or costs.
- (32) Any person who violates subsection (3) or (4) of KRS 189.290 and causes physical injury to a person shall be fined five hundred dollars (\$500).

➔Section 27. KRS 431.452 is amended to read as follows:

- (1) An offense which is designated as subject to prepayment by specific statutory designation may be prepaid by the violator subject to the terms and conditions of the statute involved.
- (2) When an offense that is not designated as subject to prepayment by specific statutory designation is cited on the same citation with another offense that is subject to prepayment, the officer shall cite the violator to court for all cited offenses. However, if the offense for which prepayment is not allowed is dismissed by the judge prior to the court date listed on the citation, the offense subject to prepayment by specific statutory designation may be prepaid by the violator, and the violator shall not be required to appear in court.
- (3) An offense which is designated as subject to prepayment is subject to the following conditions:

- (a) Designation as subject to prepayment does not preclude a physical arrest by a peace officer for that offense;
 - (b) Designation as subject to prepayment shall preclude a requirement that the defendant make a court appearance on a uniform citation;
 - (c) Except as provided for in KRS 189.990(26), for any offense designated as subject to prepayment, the defendant may elect to pay the minimum fine for the offense plus court costs to the circuit clerk before the date of his trial or be tried in the normal manner, unless the citation is marked for mandatory court appearance pursuant to KRS 431.015 or subsection (2) of this section, except that the fine for violations of KRS 189.221, 189.222, 189.226, *or* 189.270~~, or 189.271~~ shall be in accordance with KRS 189.990(2)(a) and the defendant shall not be allowed to pay the minimum fine as otherwise allowed by this paragraph; and
 - (d) Prepayment of the fine and costs shown on the citation or accompanying schedule shall be considered as a plea of guilty for all purposes.
- (4) When a peace officer issues a uniform citation and no physical arrest is made he or she shall, where the citation is designated as subject to prepayment, mark the citation as "PAYABLE", except as provided in KRS 431.015 or subsection (2) of this section.
- (5) The Administrative Office of the Courts, after consultation with the Department of Kentucky State Police, the Transportation Cabinet, the Division of Forestry, the Department of Fish and Wildlife Resources, and a representative of law enforcement shall develop a prepayable fine and cost schedule and a uniform statewide instruction sheet for the Commonwealth.

➔Section 28. KRS 186.040 is amended to read as follows:

- (1) (a) Upon receiving the application and fee, the county clerk shall issue to the owner a certificate of registration containing the information required by subsection (2) of this section and a registration plate.
 - (b) If the cabinet finds that there is a shortage of materials suitable for making plates, or that a substantial saving will result, it may require by an administrative regulation promulgated in accordance with KRS Chapter 13A and with the approval of the Governor that the previously issued plates continue to be used for a designated period.
 - (c) Except as provided in subsection (3) of this section and in KRS 186.162, for services performed, the owner shall pay the county clerk ***the fee established by the cabinet by administrative regulation under Section 3 of this Act***~~the sum of six dollars (\$6) for each registration, or if the registration exceeds a twelve (12) month period, the clerk shall receive a fee of nine dollars (\$9)].~~
- (2) The certificate of registration shall contain the registration number, the name and post office address of the owner, and such other information as the cabinet may require.
- (3) Thirty dollars (\$30) of the registration fee under KRS 186.050 for a motor vehicle that has a declared gross vehicle weight with any towed unit of forty-four thousand and one (44,001) pounds or greater shall be distributed to the county clerk of the county where the vehicle is registered.
- (4) (a) Any person requesting a certificate of registration or renewal of registration of any type of motor vehicle shall have the opportunity to donate one dollar (\$1) to the child care assistance account.
 - (b) The one dollar (\$1) donation shall be added to the regular fee for vehicle registration.
 - (c) One (1) donation may be made per issuance or renewal of vehicle registration.
 - (d) Donation to the child care assistance account shall be voluntary and may be refused by the applicant at the time of the issuance or renewal of any vehicle registration.
- (5) (a) The county clerk may retain five percent (5%) of fees collected for the child care assistance account under subsection (4) of this section.
 - (b) The remaining funds shall be deposited into a trust and agency account in the State Treasury to the credit of the Cabinet for Health and Family Services for the exclusive use as follows:
 1. Funds shall be made available to the agencies that administer child care subsidy funds; and
 2. Funds shall be used as determined by the cabinet for working families whose income exceeds the state income eligibility limits for child day care assistance.

- (6) (a) Except as provided in KRS 186.162, in addition to the registration fee provided for county clerks in subsections (1) and (3) of this section, an additional **fee established by the cabinet by administrative regulation under Section 3 of this Act** ~~three dollars (\$3) per registration~~ shall be collected at the time of registration.
- (b) ~~The~~~~This~~ additional fee **established in paragraph (a) of this subsection** shall be distributed as follows:
1. **One-third (1/3)** ~~One dollar (\$1)~~ shall be placed in an agency fund to provide additional funds exclusively for technological improvements or replacement of the AVIS system. The operation and maintenance of AVIS shall remain as currently provided for from the operational budget of the Transportation Cabinet and shall not be reduced below the 2005-2006 funding level;
 2. **One-third (1/3)** ~~One dollar (\$1)~~ shall be placed in an agency trust fund to provide funds ~~exclusively~~ for technological improvements to the hardware and software in county clerk offices related to the collection and administration of road fund taxes. The cabinet, in consultation with county clerks, shall allocate funds as necessary from this fund to be used for this exclusive purpose; and
 3. **One-third (1/3)** ~~One dollar (\$1)~~ shall be placed in a trust fund to be maintained by the cabinet to provide an unrestricted revenue supplement, for operations of the office related to the collection and administration of road fund taxes, to county clerk offices in counties containing a population of less than twenty thousand (20,000), as determined by the decennial census, and for no other purpose. Annually, by March 1, the cabinet shall calculate the amount collected in the previous calendar year and distribute the entire fund proportionate to each county that qualifies under this paragraph based on population. This revenue shall be considered current year revenue when paid to the clerk and shall not be identified as excess fees from the previous year.
- (7) Any motor vehicle registration cancelled for nonrenewal shall be subject to the provisions of KRS 186.181.
- (8) (a) The owner of a motor vehicle for which the registration has been cancelled under this section, or revoked under KRS 186A.040(5)(b), shall be subject to a reinstatement fee of forty dollars (\$40), payable to the county clerk.
- (b) The county clerk shall retain twenty dollars (\$20) of the reinstatement fee and forward the remaining twenty dollars (\$20) to the cabinet.
- (c) The portion of the reinstatement fee received by the cabinet under this subsection as a result of a revocation under KRS 186A.040(5)(b) shall be placed in an agency fund to provide additional funds exclusively for the establishment, implementation, operation, maintenance, and any necessary improvements or replacement of the accessible online insurance verification system established under KRS 186A.040.

➔Section 29. KRS 186.061 is amended to read as follows:

- (1) Applications for registration of motor vehicles owned exclusively by any nonprofit volunteer fire department, volunteer fire prevention unit, or volunteer fire protection unit shall be accompanied by a statement from the chief or assistant chief of the volunteer fire department or unit that owns the motor vehicle, certifying that the motor vehicle is exclusively owned and operated by the volunteer fire department or unit. The application and statement shall be forwarded by the county clerk to the cabinet, which shall give special authority to the clerk to register it. Upon receiving that authority, the clerk shall issue a registration receipt and the official number plate described in KRS 186.240(6), and report the registration to the head of the cabinet authorizing the registration. For **the county clerk's** ~~his~~ services in issuing such certificate of registration and number plate and reporting the same, the county clerk shall be entitled to a fee **established by the cabinet by administrative regulation under Section 3 of this Act** ~~of three dollars (\$3) in each instance~~, to be paid by the volunteer fire department or unit.
- (2) After registration of any vehicle owned exclusively by any nonprofit volunteer fire department, volunteer fire prevention unit, or volunteer fire protection unit and after issuance of a number plate for the vehicle so owned, no subsequent registration or renewal of same, and no subsequent renewal of a number plate of the vehicle shall be necessary so long as the vehicle is owned exclusively by the volunteer fire department or unit except in the case of loss or destruction of the license plate. In the event of loss or destruction, the number plate shall be replaced in the same manner as if no plate had ever been issued.

- (3) When a motor vehicle owned exclusively by any nonprofit volunteer fire department, volunteer fire prevention unit, or volunteer fire protection unit is transferred or sold to another nonprofit volunteer fire department, volunteer fire prevention unit, or volunteer fire protection unit or another governmental unit a new license plate shall be issued for the vehicle in the same manner as provided for in subsection (1) of this section and shall have the same effect as given to such license plates in subsection (2) of this section.
- (4) No person shall use on a motor vehicle, not exclusively owned by any nonprofit volunteer fire department, volunteer fire prevention unit, or volunteer fire protection unit, any license plate that has been issued for use on a motor vehicle owned by a volunteer fire department or unit.

➔Section 30. KRS 186.162 is amended to read as follows:

- (1) As used in this section and in KRS 186.043, 186.164, 186.166, 186.1722, and 186.174:
- (a) "Special license plate" means a unique license plate issued under this chapter to a group or organization that readily identifies the operator of the motor vehicle or motorcycle bearing the plate as a member of a group or organization, or a supporter of the work, goals, or mission of a group or organization. The term shall not include regular license plates issued under KRS 186.240;
 - (b) "Street rod" means a modernized private passenger motor vehicle manufactured prior to the year 1949, or designed or manufactured to resemble a vehicle manufactured prior to 1949;
 - (c) "SF" means the portion of an initial or renewal fee to obtain a special license plate that is dedicated for use by the Transportation Cabinet;
 - (d) "CF" means the county clerk's fee for issuing a motor vehicle registration as established under KRS 186.040(1). *Unless otherwise noted, an applicant for one (1) of the license plates listed in subsection (2) of this section shall pay both the* ~~CF amount and~~ *CF amount* ~~and is charged for a license plate listed in this section, the applicant for that plate shall also pay~~ the fees identified in KRS 186.040(6). If a CF amount is not charged, the applicant shall not be required to pay those fees; and
 - (e) "EF" means the portion of an initial or renewal fee to obtain a special license plate that is mandated by this chapter to be dedicated for use by a particular group or organization.
- (2) The initial purchase fee and renewal fee for a special license plate created under this chapter shall be as established in this subsection and includes the name of group or organization and the total initial and renewal fee required for the plate. The amount in parentheses indicates how the total fee is required to be divided:
- (a) Disabled veterans who receive assistance to purchase a vehicle from the United States Department of Veterans' Affairs, veterans declared by the United States Department of Veterans' Affairs to be one hundred percent (100%) service-connected disabled, and recipients of the Congressional Medal of Honor (*No CF charged*):
 1. Initial Fee: \$0 (\$0 SF/~~\$0 CF~~/\$0 EF).
 2. Renewal Fee: \$0 (\$0 SF/~~\$0 CF~~/\$0 EF).
 - (b) Former prisoners of war and survivors of Pearl Harbor:
 1. Initial Fee: **~~\$17~~\$23** (\$12 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
 2. Renewal Fee: **~~\$5~~\$11** (\$0 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
 - (c) Members of the Kentucky National Guard and recipients of the Purple Heart:
 1. Initial Fee: **~~\$17~~\$23** (\$12 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
 2. Renewal Fee: **~~\$5~~\$11** (\$0 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
 - (d) Members of the Civil Air Patrol; active, retired, veteran, reserve, or auxiliary members of the United States Army, Navy, Air Force, Marine Corps, Space Force, or Coast Guard; Merchant Marines who served between December 7, 1941, and August 15, 1945; recipients of the Silver Star Medal, the Legion of Merit Medal, the Distinguished Flying Cross, the Air Medal, the Combat Action Badge, the Combat Infantry Badge, or the Bronze Star Medal; persons who wish to receive Gold Star Mothers, Gold Star

Fathers, or Gold Star Spouses license plates beyond the two (2) exempted from fees under KRS 186.041(6); individuals eligible for a special military service academy license plate under KRS 186.041(8); individuals eligible for a special military unit license plate under KRS 186.163; and disabled veterans who have been declared to be between fifty percent (50%) and ninety-nine percent (99%) service-connected disabled by the United States Department of Veterans' Affairs:

1. Initial Fee: ~~\$17~~~~/\$23~~ (\$12 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
 2. Renewal Fee: ~~\$17~~~~/\$23~~ (\$12 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
- (e) Recipients of the Distinguished Service Cross, Navy Cross, or Air Force Cross:
1. Initial Fee: ~~\$0~~~~/\$6~~ (\$0 SF/~~\$6 CF~~/\$0 EF).
 2. Renewal Fee: ~~\$0~~~~/\$6~~ (\$0 SF/~~\$6 CF~~/\$0 EF).
- (f) Disabled license plates:
1. Initial Fee: ~~\$12~~~~/\$18~~ (\$12 SF/~~\$6 CF~~/\$0 EF).
 2. Renewal Fee: ~~\$12~~~~/\$18~~ (\$12 SF/~~\$6 CF~~/\$0 EF).
- (g) Historic vehicles:
1. Initial Fee for two plates: ~~\$50~~~~/\$56~~ (\$50 SF/~~\$6 CF~~/\$0 EF).
 2. Renewal Fee: Do not renew annually.
- (h) Members of Congress:
1. Initial Fee: ~~\$37~~~~/\$43~~ (\$37 SF/~~\$6 CF~~/\$0 EF).
 2. Renewal Fee: ~~\$17~~~~/\$23~~ (\$12 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
- (i) Firefighters:
1. Initial Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Kentucky Firefighters Association).
 2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Kentucky Firefighters Association).
- (j) Emergency management:
1. Initial Fee: ~~\$25~~~~/\$31~~ (\$25 SF/~~\$6 CF~~/\$0 EF).
 2. Renewal Fee: ~~\$12~~~~/\$18~~ (\$12 SF/~~\$6 CF~~/\$0 EF).
- (k) Fraternal Order of Police:
1. Initial Fee: ~~\$35~~~~/\$41~~ (\$25 SF/~~\$6 CF~~/\$10 EF to the Kentucky ~~†~~

FOP Death Benefit Fund).
 2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Kentucky ~~†~~

FOP Death Benefit Fund).
- (l) Law Enforcement Memorial:
1. Initial Fee: ~~\$35~~~~/\$41~~ (\$25 SF/~~\$6 CF~~/\$10 EF to the Kentucky Law Enforcement Memorial Foundation, Inc.).
 2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Kentucky Law Enforcement Memorial Foundation, Inc.).
- (m) Personalized plates for a motor vehicle that is required to be registered under the provisions of KRS 186.050(1), (3)(a), or (4)(a), or a motorcycle required to be registered under the provisions of KRS 186.050(2):

ACTS OF THE GENERAL ASSEMBLY

1. Initial Fee: ~~\$37~~~~/\$43~~ (\$37 SF/~~\$6 CF~~/\$0 EF).
2. Renewal Fee: ~~\$37~~~~/\$43~~ (\$37 SF/~~\$6 CF~~/\$0 EF).
- (n) Street rods:
1. Initial Fee: ~~\$37~~~~/\$43~~ (\$37 SF/~~\$6 CF~~/\$0 EF).
2. Renewal Fee: ~~\$12~~~~/\$18~~ (\$12 SF/~~\$6 CF~~/\$0 EF).
- (o) Nature plates:
1. Initial Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to Kentucky Heritage Land Conservation Fund established under KRS 146.570).
2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to Kentucky Heritage Land Conservation Fund established under KRS 146.570).
- (p) Amateur radio:
1. Initial Fee: ~~\$37~~~~/\$43~~ (\$37 SF/~~\$6 CF~~/\$0 EF).
2. Renewal Fee: ~~\$12~~~~/\$18~~ (\$12 SF/~~\$6 CF~~/\$0 EF).
- (q) Kentucky General Assembly:
1. Initial Fee: ~~\$37~~~~/\$43~~ (\$37 SF/~~\$6 CF~~/\$0 EF).
2. Renewal Fee: ~~\$17~~~~/\$23~~ (\$12 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
- (r) Kentucky Court of Justice:
1. Initial Fee: ~~\$37~~~~/\$43~~ (\$37 SF/~~\$6 CF~~/\$0 EF).
2. Renewal Fee: ~~\$5~~~~/\$11~~ (\$0 SF/~~\$6 CF~~/\$5 EF to the veterans' program trust fund established under KRS 40.460).
- (s) Masons:
1. Initial Fee: ~~\$35~~~~/\$41~~ (\$25 SF/~~\$6 CF~~/\$10 EF to the Masonic Homes of Kentucky).
2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Masonic Homes of Kentucky).
- (t) Collegiate plates:
1. Initial Fee: ~~\$47~~~~/\$53~~ (\$37 SF/~~\$6 CF~~/\$10 EF to the general scholarship fund of the university whose name will be borne on the plate).
2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the general scholarship fund of the university whose name will be borne on the plate).
- (u) Independent Colleges:
1. Initial Fee: ~~\$35~~~~/\$41~~ (\$25 SF/~~\$6 CF~~/\$10 EF to the Association of Independent Kentucky Colleges and Universities for distribution to the general scholarship funds of the Association's members).
2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Association of Independent Kentucky Colleges and Universities for distribution to the general scholarship funds of the Association's members).
- (v) Child Victims:
1. Initial Fee: ~~\$35~~~~/\$41~~ (\$25 SF/~~\$6 CF~~/\$10 EF to the child victims' trust fund established under KRS 41.400).
2. Renewal Fee: ~~\$22~~~~/\$28~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the child victims' trust fund established under KRS 41.400).
- (w) Kentucky Horse Council:

1. Initial Fee: ~~\$35~~~~[\$41]~~ (\$25 SF/~~\$6 CF~~/\$10 EF to the Kentucky Horse Council).
2. Renewal Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Kentucky Horse Council).
- (x) Ducks Unlimited:
1. Initial Fee: ~~\$35~~~~[\$41]~~ (\$25 SF/~~\$6 CF~~/\$10 EF to Kentucky Ducks Unlimited).
2. Renewal Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to Kentucky Ducks Unlimited).
- (y) Spay neuter:
1. Initial Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the animal control and care fund established under KRS 258.119).
2. Renewal Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the animal control and care fund established under KRS 258.119).
- (z) Gold Star Mothers, Gold Star Fathers, or Gold Star Spouses (*No CF charged*):
1. Initial Fee: \$0 (\$0 SF/~~\$0 CF~~/ \$0 EF).
2. Renewal Fee: \$0 (\$0 SF/~~\$0 CF~~/ \$0 EF).
3. A person may receive a maximum of two (2) plates under this paragraph free of charge and may purchase additional plates for fees as established in subsection (2)(d) of this section.
- (aa) I Support Veterans:
1. Initial Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Kentucky Department of Veterans' Affairs).
2. Renewal Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the Kentucky Department of Veterans' Affairs).
- (ab) Gold Star Siblings, Gold Star Sons, or Gold Star Daughters:
1. Initial Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the veterans' program trust fund established under KRS 40.460).
2. Renewal Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the veterans' program trust fund established under KRS 40.460).
- (ac) POW/MIA Awareness:
1. Initial Fee: ~~\$35~~~~[\$41]~~ (\$25 SF/~~\$6 CF~~/\$10 EF to the veterans' program trust fund established under KRS 40.460).
2. Renewal Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the veterans' program trust fund established under KRS 40.460).
- (ad) Personalized plates for a recreational vehicle that is required to be registered under the provisions of KRS 186.050(11):
1. Initial Fee: ~~\$45~~~~[\$51]~~ (\$45 SF/~~\$6 CF~~/\$0 EF).
2. Renewal Fee: ~~\$45~~~~[\$51]~~ (\$45 SF/~~\$6 CF~~/\$0 EF).
- (ae) Friends of Kentucky Agriculture:
1. Initial Fee: ~~\$22~~~~[\$28]~~ (\$12 SF/~~\$6 CF~~/\$10 EF to the agricultural program trust fund established under KRS 246.247).
2. Renewal Fee: ~~\$17~~~~[\$23]~~ (\$12 SF/~~\$6 CF~~/\$5 EF to the agricultural program trust fund established under KRS 246.247).
- (af) Special license plates established under KRS 186.164:

1. Initial Fee: ~~\$35~~~~[\$41]~~ (\$25 SF/~~\$6 CF~~/\$10 EF).
 2. Renewal Fee: ~~\$35~~~~[\$41]~~ (\$25 SF/~~\$6 CF~~/\$10 EF).
- (3) Any special license plate may be combined with a personalized license plate for a twenty-five dollar (\$25) state fee in addition to all other fees for the particular special license plate established in this section and in KRS 186.164(3). The twenty-five dollar (\$25) fee required under this subsection shall be divided between the cabinet and the county clerk of the county where the applicant is applying for the license plate with the cabinet receiving twenty dollars (\$20) and the county clerk receiving five dollars (\$5).
- (4) (a) A sponsoring organization of any special license plate issued under this section or any special license plate established under the provisions of KRS 186.164 may petition the cabinet for the production of that special license plate for motorcycles.
- (b) The cabinet shall make all of the special military license plates in this section available for motorcycles owned or leased by eligible individuals.
- (c) Owners and lessees of motorcycles registered under KRS 186.050(2) may be eligible to receive special license plates approved by the cabinet under paragraphs (a) and (b) of this subsection. Applicants for a special license plate for a motorcycle shall be required to pay the fee for a special plate as prescribed in this section or in KRS 186.164. The fee paid for the special plate for a motorcycle shall be in lieu of the registration fee required under KRS 186.050(2).
- (5) The Transportation Cabinet shall:
- (a) Identify the cost of issuing a child victims' trust fund special license plate under subsection (2)(v) of this section; and
 - (b) Transfer any revenue received from the initial or renewal SF fee that is in excess of the cost identified in paragraph (a) of this subsection to the child victims' trust fund established under KRS 41.400.

➔Section 31. KRS 186.180 is amended to read as follows:

- (1) (a) If an owner loses his or her copy of a registration or transfer receipt, the owner may obtain a duplicate from the county clerk who issued the present owner's copy of the receipt if:
1. Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 is provided to the county clerk, except that proof of insurance shall not be required for duplicates applied for by motor vehicle dealers as defined in KRS 190.010;
 2. The owner files an affidavit, upon a form furnished by the cabinet; and
 3. The owner pays to the county clerk a fee ***established by the cabinet by administrative regulation under Section 3 of this Act*** ~~of three dollars (\$3)~~.
- (b) When an owner's copy of any registration or transfer receipt shows that the spaces provided thereon for noting and discharging security interests have been exhausted, the owner may obtain a duplicate from the county clerk who issued the receipt if:
1. The owner surrenders his or her copy of the current receipt to the county clerk;
 2. Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 is provided to the county clerk, except that proof of insurance shall not be required for duplicates applied for by motor vehicle dealers as defined in KRS 190.010; and
 3. The owner pays to the county clerk a fee ***established by the cabinet by administrative regulation under Section 3 of this Act*** ~~of three dollars (\$3)~~.
- (c) Any security interest which has been discharged as shown by the records of the clerk or upon the owner's copy of the current receipt shall be omitted from the duplicate receipt to be issued by the county clerk.
- (2) (a) If an owner loses a registration plate, the owner shall:
1. Surrender his or her registration receipt to the county clerk from whom it was obtained; and
 2. File a written statement as to the loss of the plate.
- (b) The owner shall be issued another registration receipt and a plate or plates, which shall bear a different number from that of the lost plate, if:

1. Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 is provided to the county clerk; and
 2. The owner pays to the county clerk ~~{the sum of}~~:
 - a. Three dollars (\$3) for each plate; and
 - b. ***A fee established by the cabinet by administrative regulation under Section 3 of this Act*** ~~{Three dollars (\$3)}~~ to the county clerk for his or her services.
- (c) The county clerk shall:
1. Retain the owner's statement;
 2. Retain a copy of the owner's proof of insurance;
 3. Make a notation on the triplicate copy of the surrendered registration receipt stating the number of the registration receipt replacing it; and
 4. Forward the original copy of the surrendered receipt to the cabinet.
- (d) The cabinet shall:
1. Immediately cancel the registration corresponding to the number of the lost plate; and
 2. Report the cancellation to the commissioner of the Department of Kentucky State Police.
- (e) Any person finding a lost registration plate shall deliver it to the cabinet or to any county clerk for forwarding it to the cabinet.
- (3) (a) If an owner moves from one (1) county into another county of the Commonwealth, the owner may obtain from the county clerk of his or her county of residence a new registration receipt and new registration plate bearing the name of the county of residence if:
1. The owner surrenders his or her current registration receipt and current registration plate to the county clerk;
 2. Proof of insurance on the motor vehicle in compliance with KRS 304.39-080 is provided to the county clerk; and
 3. The owner pays a fee ***established by the cabinet by administrative regulation under Section 3 of this Act*** ~~{of five dollars (\$5)}~~ to the county clerk, of which the county clerk shall be entitled to retain ***sixty percent (60%)*** ~~{three dollars (\$3)}~~ and the cabinet shall be entitled to ***forty percent (40%)*** ~~{two dollars (\$2)}~~.
- (b) The surrendered receipt and plate shall be ***destroyed by the county clerk*** ~~{forwarded to the cabinet}~~.
- (4) If an owner's registration is revoked under KRS 186A.040(5)(b), the owner may have his or her registration reinstated by the county clerk who issued the present owner's copy of the receipt if:
- (a) The owner pays to the county clerk the reinstatement fee required under KRS 186.040(8); and
 - (b) The owner provides proof of insurance on the motor vehicle in compliance with KRS 304.39-080 to the county clerk.
- (5) The owner of a motor vehicle that has the vehicle's registration revoked under KRS 186.290 shall pay to the clerk a fee of twenty dollars (\$20), which shall be equally divided between the county clerk and the cabinet.
- (6) Proof of insurance for a personal motor vehicle shall be determined by the county clerk as provided in KRS 186A.042.
- ➔Section 32. KRS 186.190 is amended to read as follows:
- (1) (a) Except as provided for in paragraph (e) of this subsection, when a motor vehicle that has been previously registered changes ownership, the registration plate shall not remain upon the motor vehicle, but shall be retained by the seller and may be transferred to another vehicle owned or leased by the seller in accordance with paragraph (b) or (c) of this subsection.
 - (b) An individual who sells a motor vehicle which has a valid registration plate may transfer that plate to another vehicle of the same classification at the time the individual transfers the vehicle. If the

individual does not have a vehicle to transfer the plate to at the time the individual sells a vehicle, the individual may hold the registration plate for the period of registration. At any time during the period of registration, the individual shall notify the county clerk and transfer the plate to a vehicle of the same classification that he or she has obtained prior to operating that vehicle on a public highway. If the plate transfer occurs in the final month in which the existing registration is still valid, the individual shall be required to renew the registration on the newly acquired vehicle.

- (c) An individual who trades in a motor vehicle with a valid registration plate during the purchase of a motor vehicle from a licensed motor vehicle dealer shall remove the plate from the vehicle offered in trade. A photocopy of the valid certificate of registration shall be included with the application for title and registration for the purchased vehicle, and the plate shall be retained by the purchaser. The dealer shall equip the purchased vehicle with a temporary tag in accordance with KRS 186A.100 before the buyer may operate it on the highway. When the buyer receives a valid certificate of registration from the county clerk, the buyer shall remove the temporary tag and affix the registration plate to the vehicle.
 - (d) All vehicle transfers and registration plate transfers shall be initiated within the fifteen (15) day period established under KRS 186.020 and 186A.070.
 - (e) This subsection shall not apply to transfers between motor vehicle dealers licensed under KRS Chapter 190. A secured party who repossesses a vehicle shall comply with KRS 186.045(6).
- (2) (a) A person shall not purchase, sell, or trade any motor vehicle without delivering to the county clerk of the county in which the sale or trade is made the title, and a notarized affidavit if required and available under KRS 138.450 attesting to the total and actual consideration paid or to be paid for the motor vehicle.
- (b) Except for transactions handled by a motor vehicle dealer licensed pursuant to KRS Chapter 190, the person who is purchasing the vehicle shall present proof of insurance in compliance with KRS 304.39-080 to the county clerk before the clerk transfers the registration on the vehicle.
 - (c) Proof of insurance shall be in the manner prescribed in administrative regulations promulgated by the Department of Insurance pursuant to KRS Chapter 13A.
 - (d) Proof of insurance for a personal motor vehicle shall be determined by the county clerk as provided in KRS 186A.042.
- (3) (a) Upon delivery of the title, and a notarized affidavit if required and available under KRS 138.450 attesting to the total and actual consideration paid or to be paid for the motor vehicle to the county clerk of the county in which the sale or trade was made, the seller shall pay to the county clerk a transfer fee of two dollars (\$2), which shall be remitted to the Transportation Cabinet.
- (b) If an affidavit is required, and available, the signatures on the affidavit shall be individually notarized before the county clerk shall issue to the purchaser a transfer of registration bearing the same data and information as contained on the original registration receipt, except the change in name and address.
 - (c) The seller shall pay to the county clerk a fee ***established by the cabinet by administrative regulation under Section 3 of this Act*** ~~of six dollars (\$6)~~ for the clerk's services.
 - (d) ***The fees in this subsection shall apply to all vehicle transfers, including dealer assignments, individual-to-dealer transfers and reassignments, and dealer-to-dealer transfers.***
- (4) (a) If the owner junks or otherwise renders a motor vehicle unfit for future use, the owner shall deliver the registration plate and registration receipt to the county clerk of the county in which the motor vehicle is junked.
- (b) The county clerk shall return the plate and motor vehicle registration receipt to the Transportation Cabinet.
 - (c) The owner shall pay to the county clerk ***a fee established by the cabinet by administrative regulation under Section 3 of this Act*** ~~one dollar (\$1)~~ for the clerk's services.
- (5) A licensed motor vehicle dealer shall ~~not~~ be required to pay ***both*** the transfer fee provided by ***subsection (3)(a) of this section*** ***and*** ~~but shall be required to pay~~ the county clerk's fee provided by ***subsection (3)(c) of this section***.
- (6) The motor vehicle registration receipt issued by the clerk under this section shall contain information required by the Department of Vehicle Regulation.

➔Section 33. KRS 186.675 is amended to read as follows:

- (1) The annual registration fee for trailers and semitrailers which are drawn by motor vehicles required to be licensed under KRS 186.050(1) shall be four dollars and fifty cents (\$4.50). The annual registration fee for trailers and semitrailers which are drawn by motor vehicles required to be licensed under KRS 186.050(3) to (13) shall be nineteen dollars and fifty cents (\$19.50).
- (2) The provisions of KRS 186.650 to 186.700 shall not apply to privately owned and operated trailers used for the transportation of:
 - (a) Boats;
 - (b) Luggage;
 - (c) Personal effects;
 - (d) Farm products, farm supplies, or farm equipment;
 - (e) All-terrain vehicles as defined in KRS 189.010(24);
 - (f) Wildlife as defined in KRS 150.010 that the owner or operator of the trailer has obtained while hunting; and
 - (g) Firearms or other supplies used in conjunction with hunting wildlife.
- (3) The registration fee for mobile homes and recreational vehicles shall be nine dollars and fifty cents (\$9.50) except the registration fee for camping trailers, travel trailers, and truck campers shall be four dollars and fifty cents (\$4.50). The clerk shall issue the registration plate furnished by the cabinet and shall be paid for this service *a fee established by the cabinet by administrative regulation under Section 3 of this Act* ~~the sum of one dollar (\$1)~~.
- (4) ~~Beginning April 1, 1993,~~ At the request of the owner, trailers and semitrailers which are drawn by motor vehicles required to be licensed under KRS 186.050(3) to (13) may be permanently registered, except the registration shall expire when the trailer or semitrailer is sold or when it is otherwise permanently removed from service by the owner. The registration fee for the period shall be ninety-eight dollars (\$98). The clerk shall issue the registration plate furnished by the cabinet and shall be paid for this service *a fee established by the cabinet by administrative regulation under Section 3 of this Act* ~~the sum of three dollars (\$3)~~.

➔Section 34. KRS 186A.245 is amended to read as follows:

- (1) If a certificate of title is lost, stolen, mutilated, or destroyed or becomes illegible, the owner or legal representative of the owner named in the certificate shall promptly make application to the county clerk for and may obtain a duplicate, upon furnishing information satisfactory to the Department of Vehicle Regulation. The duplicate certificate of title shall contain appropriate words or symbols to indicate that it is a duplicate. *The fee for* ~~Each application for~~ a duplicate certificate of title shall be *in accordance with Section 4 of this Act* ~~six dollars (\$6), of which the county clerk shall retain four dollars (\$4), and the Transportation Cabinet two dollars (\$2). Each application for a duplicate certificate of title for an all-terrain vehicle shall be ten dollars (\$10), of which the county clerk shall retain four dollars (\$4) and the Transportation Cabinet shall receive six dollars (\$6)~~. It shall be mailed to the owner.
- (2) The Department of Vehicle Regulation shall make provisions for production and issuance of a duplicate title if update of information is requested. The provisions shall be generally consistent with the procedures for production and issuance of a certificate of title in the first instance as provided in this chapter.
- (3) A person recovering an original certificate of title for which a duplicate has been issued shall promptly surrender the original certificate to the Department of Vehicle Regulation.
- (4) Application for documents provided for by this section shall be made to the county clerk upon forms provided to him by the Department of Vehicle Regulation.

➔Section 35. KRS 186A.298 is amended to read as follows:

- (1) The owner of a manufactured home that has been converted to real estate in accordance with KRS 186A.297 may detach or sever the home from the real property only by filing an affidavit of severance with the clerk of the county in which the affidavit of conversion originally took place and in which the real estate is located. The affidavit of severance shall include the following information:

- (a) The manufacturer and, if applicable, the model name of the manufactured home;
 - (b) The legal description of the real property on which the manufactured home is or was placed, with the source of title setting forth the book and page number of how the owner of the real estate acquired the property;
 - (c) The book and page number where the previous affidavit of conversion was filed of record;
 - (d) A Class B1 or B2 Seal as required under KRS 227.600;
 - (e) Certification of an attorney that, as of the date of the titling of the severance, there are no security interests or liens in the manufactured home that have not been released by the secured party and that the title to the real estate is marketable, free, and clear of liens, or certification of any holder of a security interest in the manufactured home of:
 - 1. The amount of any existing security interest; and
 - 2. The secured party's consent to issuance of a title;
 - (f) The owner's affidavit that the manufactured home has previously been or will be removed from the described real estate within thirty (30) days of the date of filing the affidavit of conversion, and that, before moving the manufactured home the owner will apply for and receive:
 - 1. A certificate of title as required under KRS 186A.070; and
 - 2. A manufactured home registration as required under KRS 186.675; and
 - (g) There shall be a limit of one (1) affidavit of severance issued to an owner on a property.
- (2) When the county clerk files the affidavit of severance, the county clerk shall provide a copy to:
- (a) The property valuation administrator for adjustment of the real property tax rolls of the county; and
 - (b) The Transportation Cabinet, Department of Vehicle Regulation.
- (3) An owner who fails to file an affidavit of severance prior to removal of the manufactured home shall be liable for actual damages or five hundred dollars (\$500), whichever is greater, payable to any first lien holder of record, or if no such lien holder exists, to be payable to the clerk of the county in which the affidavit of conversion first took place, upon notice to the clerk that the manufactured home was not removed within thirty (30) days of the date of filing of the affidavit of severance.
- (4) The county clerk shall receive a fee *established by the cabinet by administrative regulation under Section 3 of this Act* ~~of sixteen dollars (\$16)~~ for the service provided under this section.
- (5) If the owner of the manufactured home provides inaccurate or fraudulent information to the county clerk, the clerk shall not be held liable in any subsequent action relating to the severance of the manufactured home from the real estate.
- (6) *As used in* ~~For the purposes of~~ this section, "owner" means the party who holds the legal title to the real estate where the manufactured home is located prior to being moved. It shall not include the party who is acquiring the manufactured home.

➔Section 36. KRS 186A.130 is amended to read as follows:

There shall be paid for issuing and processing *title* documents required by this chapter fees *established by the cabinet by administrative regulation under Section 3 of this Act, which shall be distributed between the cabinet and the county clerk as follows* ~~according to the following schedule~~:

- (1) (a) *For* each application for a certificate of title, ~~shall be nine dollars (\$9), of which~~ the county clerk shall retain *two-thirds (2/3)* ~~six dollars (\$6)~~ and the Transportation Cabinet shall receive *one-third (1/3)* ~~three dollars (\$3)~~.
- (b) ~~(2)~~ *For* each application for a ~~replacement or~~ corrected certificate of title, ~~shall be six dollars (\$6), of which~~ the county clerk shall retain *two-thirds (2/3)* ~~four dollars (\$4)~~ and the Transportation Cabinet shall receive *one-third (1/3)* ~~two dollars (\$2)~~. If a corrected certificate must be issued because of an error of the county clerk or the Department of Vehicle Regulation, there shall be no charge.
- (c) *Before January 1, 2027, the fee for each application for a printed title shall be six dollars (\$6), of which the county clerk shall retain four dollars (\$4) and the Transportation Cabinet shall receive two dollars (\$2).*

- (d) ***On or after January 1, 2027, for each application for a printed title, the county clerk shall retain two-thirds (2/3) and the Transportation Cabinet shall receive one-third (1/3);***
- (2)(3) ***For each application for a speed title, ~~shall be twenty five dollars (\$25), of which~~ the county clerk shall retain **twenty percent (20%)** ~~five dollars (\$5)~~ and the Transportation Cabinet shall receive **eighty percent (80%)**; ~~and twenty dollars (\$20).~~***
- (3)(4) (a) ***For each application for a certificate of title for an all-terrain vehicle, ~~shall be fifteen dollars (\$15), of which~~ the county clerk shall retain **forty percent (40%)** ~~six dollars (\$6)~~ and the Transportation Cabinet shall receive **sixty percent (60%)** ~~nine dollars (\$9).~~***
- (b) ***For each application for a ~~replacement or~~ corrected certificate of title for an all-terrain vehicle, ~~shall be ten dollars (\$10), of which~~ the county clerk shall retain **forty percent (40%)** ~~four dollars (\$4)~~ and the Transportation Cabinet shall receive **sixty percent (60%)** ~~six dollars (\$6)~~. If a corrected certificate must be issued because of an error of the county clerk or the Department of Vehicle Regulation, there shall be no charge.***
- (c) ***Before January 1, 2027, the fee for each application for a printed title for an all-terrain vehicle shall be six dollars (\$6), of which the county clerk shall retain four dollars (\$4) and the Transportation Cabinet shall receive two dollars (\$2).***
- (d) ***On or after January 1, 2027, for each application for a printed title for an all-terrain vehicle, the county clerk shall retain two-thirds (2/3) and the Transportation Cabinet shall receive one-third (1/3).***

➔Section 37. KRS 186.020 is amended to read as follows:

- (1) Before the owner of a motor vehicle, or street-legal special purpose vehicle as defined in KRS 186.077, may operate it or permit its operation upon a highway, the owner shall apply for registration in accordance with administrative regulations promulgated by the cabinet, except that a person who purchases a motor vehicle, or brings a motor vehicle into the Commonwealth from another state shall make application for registration within fifteen (15) days. The bill of sale or assigned title must be in the motor vehicle during this fifteen (15) day period. If the owner of a motor vehicle is an individual and resides in the Commonwealth, the motor vehicle shall be registered with the county clerk of the county in which he or she resides. If the owner of a motor vehicle does not reside in the Commonwealth, the motor vehicle shall be registered with the county clerk of the county in which the motor vehicle is principally operated. If the owner of a motor vehicle is other than an individual and resides in the Commonwealth, the motor vehicle shall be registered with the county clerk of either county. The application when presented to the county clerk for registration shall be accompanied by:
- (a) A bill of sale and a manufacturer's certificate of origin if the application is for the registration of a new motor vehicle;
 - (b) The owner's registration receipt, if the motor vehicle was last registered in this state;
 - (c) A bill of sale and the previous registration receipt, if last registered in another state where the law of that state does not require the owner of a motor vehicle to obtain a certificate of title or ownership;
 - (d) A certificate of title, if last registered in another state where the law of that state requires the owner of a motor vehicle to obtain a certificate of title or ownership;
 - (e) An affidavit from an officer of a local government saying that the motor vehicle has been abandoned and that the provisions of KRS 82.630 have been complied with, for local governments which elect to use the provisions of KRS 82.600 to 82.640;
 - (f) The application from a person who has brought a motor vehicle into the Commonwealth from another state shall be accompanied by proof that the motor vehicle is insured in compliance with KRS 304.39-080; and
 - (g) Proof of insurance in compliance with KRS 186.077 if the application is for the registration of a street-legal special purpose vehicle.
- (2) After that, except as provided in subsection (6) of this section, the owner of any motor vehicle registered under KRS 186.050(1) or (2) shall register his or her motor vehicle on or before the date on which his or her certificate of registration expires. If, before operating the motor vehicle in this state, the owner registers it at

some later date and pays the fee for the full year, he or she will be deemed to have complied with the law. Insofar as the owner is concerned, registration with the clerk shall be deemed to be registration with the cabinet.

- (3) After that, the owner of any commercial vehicle registered under KRS 186.050(3) to (14) shall register the commercial vehicle on or before April 1 of each year. If, before operating a commercial vehicle in this state, the owner registers it at some later date and pays the required fee, he or she will be deemed to have complied with the law. Insofar as the owner is concerned, registration with the clerk shall be deemed to be registration with the cabinet, except the owner of any commercial motor vehicle to be registered pursuant to the International Registration Plan under KRS 186.050(13) shall register the commercial motor vehicles on or before the last day of the month of registration established pursuant to KRS 186.051(3).
- (4) The application and documents presented *for registration*~~[therewith]~~, including the sheriff's certificate of inspection, shall, *along with*~~[be affixed to]~~ the Transportation Cabinet copy of the certificate of title or registration, *be*~~[and]~~ sent to the Transportation Cabinet by the clerk.
- (5) At least forty-five (45) days prior to the expiration of registration of any motor vehicle previously registered in the Commonwealth as provided by KRS 186A.035, the owner of the vehicle shall be notified~~[by mail]~~ on the same notice required by KRS 134.805(5) of the date of expiration. In addition, the department shall provide appropriate forms and information to permit renewal of motor vehicle registration to be completed by mail. Any registration renewal by mail shall require payment of an additional~~[two dollar (\$2)]~~ fee *established by the cabinet by administrative regulation under Section 3 of this Act, and retained*~~[which shall be received]~~ by the county clerk. Nonreceipt of the notice *under this subsection*~~[herein]~~ shall not constitute a defense to any registration related offense.
- (6) (a) If an individual has been serving in the United States military stationed or assigned to a base or other location outside the boundaries of the United States, he or she shall renew the registration on the vehicle within thirty (30) days of his or her return if:
 1. The motor vehicle has been stored on a military base during the time of deployment and has not been operated on the public highways during that time; and
 2. The vehicle's registration expired during the individual's absence.
- (b) An individual who meets the criteria in paragraph (a) of this subsection shall not be convicted or cited for driving a vehicle with expired registration within thirty (30) days after the individual's return to the Commonwealth if the individual can provide proof of meeting the eligibility criteria under paragraph (a) of this subsection.
- (c) When an individual presents evidence of meeting the criteria under paragraph (a) of this subsection when applying to renew the registration on the motor vehicle, the county clerk shall, when applicable, treat the registration as a prorated renewal under KRS 186.051, and charge the individual a registration fee only for the number of months of the registration year the vehicle will be used on the public highways.
- (7) The provisions of this section shall not apply to vehicles *or manufactured homes* for which permanent registration has been obtained pursuant to KRS 186A.127.

➔Section 38. KRS 186A.555 is amended to read as follows:

- (1) *Notwithstanding*~~[the provisions of]~~ KRS 186A.500 to 186A.550~~[notwithstanding]~~, the owner of a motor vehicle that has been damaged solely by hail shall have the regular title of the vehicle branded as follows "Hail Damage" if:
 - (a) The vehicle is in a condition that it can be legally operated on the highway;
 - (b) The total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-hail condition exceeds seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110; and
 - (c) The owner intends to retain ownership of the vehicle.
- (2) A person seeking to have the title of a vehicle branded for hail damage under subsection (1) of this section shall present the sheriff with a statement from the person's insurance company that the damage exceeds seventy-five percent (75%) of the retail value of the vehicle and is solely the result of hail damage, and shall have the vehicle inspected by the sheriff of the county in which the vehicle is registered. Upon completion of

inspection of the vehicle, the sheriff shall indicate on the vehicle transaction record form if he or she has received a statement from the person's insurance company that the damage to the vehicle is the result of hail damage and if the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-hail condition exceeds seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110. The sheriff shall be paid a fee of ~~fifteen dollars (\$15)~~ ~~five dollars (\$5)~~ to conduct an inspection under this subsection.

- (3) Upon completion of the inspection required under subsection (2) of this section, a person shall take the vehicle transaction record form and the title to the vehicle to the office of the county clerk in the county in which the vehicle is registered. If the sheriff has certified on the vehicle transaction record form that the damage to the vehicle is the result of hail damage and if the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-hail condition exceeds seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110, ~~the title shall not be surrendered to the clerk, but the clerk shall stamp on the face of the title "Hail Damage". The~~ clerk shall ~~also~~ enter into the Automated Motor Vehicle Registration System (AVIS) the information *required to brand* ~~that~~ the title *with a* ~~has been branded in the clerk's office~~ "Hail Damage" *brand*. The county clerk shall be paid a fee *established by the cabinet by administrative regulation under Section 3 of this Act* ~~of three dollars (\$3)~~ to carry out ~~the provisions of~~ this subsection.
- (4) A title branded "Hail Damage" under the provisions of subsection (3) of this section shall retain the brand for as long as the person holds title to the vehicle, and upon the sale or transfer of the vehicle, the new title issued shall continue to carry the brand "Hail *Damage*." ~~"Damage".~~
- (5) An insurance company shall not render payment on a vehicle damaged solely by hail in excess of seventy-five percent (75%) of the retail value of the vehicle until the title has been branded "Hail *Damage*." ~~"Damage".~~

➔Section 39. KRS 132.096 is amended to read as follows:

The following classes of property shall be exempt from state and local ad valorem taxes, including the county, city, school, and other taxing district in which it has a taxable situs:

- (1) Farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his or her farm operations;
- (2) Livestock, ratite birds, and domestic fowl;
- (3) Tangible personal property located in a foreign trade zone established pursuant to 19 U.S.C. secs. 81a to 81u, provided that the zone is activated in accordance with the regulations of the United States Customs Service and the Foreign Trade Zones Board;
- (4) Property that is certified as an alcohol production facility as defined in KRS 247.910;
- (5) Property that is certified as a fluidized bed energy production facility as defined in KRS 211.390;
- (6) Computer software, except prewritten computer software as defined in KRS 139.010;
- (7) Trucks, tractors, and buses used on routes or in systems that are partly within and partly outside this state, and that are subject to the fee imposed by KRS 136.188;
- (8) Semitrailers and trailers, as defined in KRS 189.010, if the semitrailers or trailers are used on a route or in a system that is partly within and partly outside this state. Semitrailers or trailers required to be registered under KRS 186.655 that are used only in this state shall be subject to the ad valorem tax imposed by KRS 132.487;
- (9) All intangible personal property, except intangible personal property assessed under KRS 132.030 or KRS Chapter 136. Nothing in this subsection shall prohibit local taxation of franchises of:
 - (a) Corporations;
 - (b) Financial institutions as provided in KRS 136.575; or
 - (c) Domestic life insurance companies;
- (10) All real and personal property owned by another state or a political subdivision of another state that is used exclusively for public purposes, if a comparable exemption is provided in that state or political subdivision for property owned by the Commonwealth of Kentucky or its political subdivisions;

- (11) Every fraternal benefit society organized or licensed under Subtitle 29 of KRS Chapter 304 that is a charitable and benevolent institution, and its funds shall be exempt from all state, county, district, city, and school taxes, other than taxes on real property and office equipment;~~and~~
- (12) (a) Any bridge built by an adjoining state, by the government of the United States, or by any commission created by an Act of Congress, over a boundary line stream between this state and an adjoining state, which is:
1. Not operated for profit and, if it connects with a primary highway of this state, is declared to be public property used for public purposes; and
 2. Exempt from taxation unless the adjoining state, or other public body constructing the bridge, taxes similar bridges built by this Commonwealth in like manner.
- (b) The issuance of bonds for the purpose of amortizing the cost of construction of the bridges, as described in paragraph (a) of this subsection, shall not affect the tax exemption granted; **and**
- (13) ***Street-legal special purpose vehicles, as defined in Section 40 of this Act, that are registered under KRS 186.020.***

➔Section 40. KRS 186.077 is amended to read as follows:

- (1) As used in this section:
- (a) "Local government" means a city, county, charter county government, urban-county government, consolidated local government, or unified local government;
- (b) 1. "Special purpose vehicle" means an all-terrain vehicle, utility terrain vehicle, minitruck, pneumatic-tired military vehicle, or full-size special purpose-built vehicle, including a vehicle that is self-constructed or built by the original equipment manufacturer and a vehicle that has been modified.
2. "Special purpose vehicle" does not include a low-speed vehicle as defined in KRS 186.010; and
- (c) 1. "Street-legal special purpose vehicle" means a special purpose vehicle that meets the requirements of this section and is equipped with all of the following:
- a. One (1) or more headlamps;
 - b. One (1) or more tail lamps;
 - c. One (1) or more brake lamps;
 - d. A trail lamp or other lamp constructed and placed to illuminate the registration plate with a white light;
 - e. One (1) or more red reflectors on the rear of the vehicle;
 - f. An amber electric turn system, one (1) on each side of the front of the vehicle;
 - g. Amber or red electric turn signals on the rear of the vehicle;
 - h. A braking system, other than a parking brake;
 - i. A horn or other warning device;
 - j. A working muffler;
 - k. Rearview mirrors on the right and left side of the driver;
 - l. A windshield, unless the operator of the vehicle wears eye protection while operating the vehicle;
 - m. A speedometer, illuminated for nighttime operation;
 - n. A roll bar or roll cage;
 - o. For multi-passenger vehicles, a seatbelt assembly that conforms to the federal motor vehicle safety standard provided in 49 C.F.R. sec. 571.209 for each designated seating position; and
 - p. Tires that have at least two thirty-seconds (2/32) of an inch or greater tire tread.

2. "Street-legal special purpose vehicle" does not include a low-speed vehicle as defined in KRS 186.010 or a vehicle primarily used for farm or agricultural activities.
- (2) A person shall not operate a street-legal special purpose vehicle on a highway if:
- The highway is located within the jurisdictional boundaries of a local government where the operation of special purpose vehicles has not been allowed by local ordinance;
 - The highway is a controlled-access system, including but not limited to an interstate or parkway; or
 - The United States Department of Agriculture prohibits special purpose vehicles where the highway is located.
- (3) Nothing in this section authorizes the operation of a street-legal special purpose vehicle in an area that is not open to motor vehicle use.
- (4) Street-legal special purpose vehicles are prohibited from traveling a distance greater than twenty (20) miles on a highway displaying centerline pavement markings.
- (5) Minitrucks shall not be operated as street-legal special purpose vehicles on a highway that has been constructed pursuant to a federal highway program.
- (6) Except as otherwise provided in this section, a street-legal special purpose vehicle shall:
- Be registered in accordance with KRS 186.020;
 - Be insured by the owner or operator for the payment of tort liabilities in the same form and amounts as set forth in KRS 304.39-110 for motorcycles; and
 - Comply with all other requirements in this chapter.
- (7) *Street-legal special purpose vehicles shall be exempt from state and local ad valorem taxes in accordance with Section 39 of this Act.*
- (8) Upon registration of any street-legal special purpose vehicle under KRS 186.020, the county clerk shall issue the owner a motorcycle registration plate for the vehicle.
- ~~(9)(8)~~ Street-legal special purpose vehicles shall have an inspection completed by a certified inspector as required by KRS 186A.115.
- ~~(10)(9)~~ An applicant renewing his or her registration for a street-legal special purpose vehicle pursuant to KRS 186.020 shall **be considered to have certified**~~certify~~ that the street-legal special purpose vehicle still meets all of the equipment requirements in subsection (1)(c)1. of this section.
- ~~(11)(10)~~ The Transportation Cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement this section.

➔Section 41. KRS 132.485 is amended to read as follows:

- (1) (a) 1. The registration of a motor vehicle with a county clerk in order to operate it or permit it to be operated upon the highways of the state shall be deemed consent by the registrant for the motor vehicle to be assessed by the property valuation administrator from a standard manual prescribed by the department for valuing motor vehicles for assessment unless:
- The registrant appears before the property valuation administrator to assess the vehicle; or
 - The motor vehicle is twenty (20) years old or older, in which case paragraph (b) of this subsection applies regarding its valuation.
2. The standard value of motor vehicles shall be the average trade-in value, not the rough or clean trade-in values, prescribed by the valuation manual.
3. The property valuation administrator may adjust the value of a motor vehicle when the registrant has provided evidence that the standard value does not reflect the motor vehicle's condition, options, mileage, or certificate of title issued.
- (b) In the case of motor vehicles that are twenty (20) years old or older:
- It shall not be presumed that a vehicle has been maintained in, or restored to, the original factory or otherwise classic condition or that its value has increased over the previous year;

2. In assessing motor vehicles under this paragraph and calculating the taxes due thereon, through the AVIS or otherwise, if the registrant does not appear before the property valuation administrator to assess the vehicle, the standard value shall be as follows:
 - a. The actual valuation of the vehicle as was assessed in the vehicle's nineteenth year, if the vehicle was assessed for taxation in the Commonwealth in that year; or
 - b. The average trade-in value prescribed by the applicable edition of the valuation manual for the vehicle in its nineteenth year, if the vehicle was not assessed for taxation in the Commonwealth in that year;

reduced by ten percent (10%) annually for each year beyond nineteen (19) years; and
 3. In the case of any motor vehicle for which the assessment procedure provided in subparagraph 2.b. of this paragraph would apply but cannot be carried out because the applicable edition of the valuation manual is unavailable, the property valuation administrator shall conduct an assessment of the vehicle to determine the value thereof for the given taxable year. The assessment under this subparagraph may be done in person if the vehicle's owner presents the vehicle at the property valuation administrator's office, or the assessment may be done through a review of photographs and other documentary evidence. In subsequent years, that valuation shall be reduced by ten percent (10%) annually.
- (2) The registration of a recreational vehicle with the county clerk in order to operate it or permit it to be operated upon the highways shall be deemed consent by the registrant thereof for the recreational vehicle to be assessed by the property valuation administrator at a valuation determined from a standard manual prescribed by the department for valuing recreational vehicles for assessment unless the registrant appears in person before the property valuation administrator to assess the vehicle.
 - (3) The registration of a motor vehicle on or before the date that the registration of the vehicle is required is prima facie evidence of ownership on January 1.
 - (4) When a motor vehicle is purchased in one (1) year, but registration takes place after January 1 of the following year through no fault of the owner, the department shall assess the motor vehicle and shall send notice of the assessment to the January 1 owner in accordance with KRS 186A.035. If the month of registration has passed for the current year, the assessment shall be due and payable if not protested to the department within sixty (60) days from the date of the notice. Payments made after the due date shall carry the normal penalty and interest for motor vehicles.
 - (5) This section does not apply to:
 - (a) Motor vehicles or recreational vehicles owned and operated by public service companies, common carriers, or agencies of the state and federal governments; *or*
 - (b) *Street-legal special purpose vehicles exempt from ad valorem taxation under Section 39 of this Act.*

➔Section 42. KRS 186A.530 is amended to read as follows:
- (1) The owner of a motor vehicle that meets the definition of a salvage vehicle as set forth in KRS 186A.520(1) and has been issued a salvage certificate of title in Kentucky, or the equivalent thereof by another licensing jurisdiction, and has been rebuilt, may make application for a new certificate of title pursuant to KRS 186.115. The Transportation Cabinet may promulgate administrative regulations pursuant to KRS Chapter 13A governing the form of application.
 - (2) Upon receipt of a salvage certificate of title issued pursuant to KRS 186A.520, or similar title issued by another state if the title does not disqualify the vehicle from being titled for use on the highway in that state, and proof of passing the inspection required by KRS 186A.115, the cabinet shall issue a new certificate of title with the words "rebuilt vehicle" printed on the face of the title. The brand shall be carried forward and printed in the appropriate section on the face of all titles issued thereafter for that motor vehicle.
 - (3) If ownership of a motor vehicle has been transferred to an insurance company through payment of damages, the insurance company making the payment of damages shall be deemed the owner of the vehicle.
 - (4) The owner of a water damaged vehicle shall make application to the cabinet for a salvage certificate of title as provided for in KRS 186A.520. The owner of a vehicle with a brand from another jurisdiction identifying the vehicle as water damaged or other similar designation who is making application for a Kentucky title shall be issued a title with the words "water damaged" printed on the face of the title.

- (5) A Kentucky salvage certificate of title may be issued from an out-of-state junking certificate or other ownership document bearing a designation of "junk," "unrebuildable," or other similar classification that disqualifies the vehicle from being titled for use on the highway in that state with the following provisions:
- (a) The out-of-state junking certificate of title or other ownership certificate shall be an original, secure document;
 - (b) The applicant shall submit a minimum of two (2) photographs of the motor vehicle showing the damage to the motor vehicle. The photographs shall be included in the application for a salvage certificate of title;
 - (c) The applicant shall submit a minimum of two (2) estimates of damage verifying that the condition of the vehicle which has been issued the junking certificate constitutes less than seventy-five percent (75%) of the retail value of the vehicle, as prescribed by a nationally accepted used car valuation guide or tool identified under KRS 304.20-110; and
 - (d) A salvage title issued under this subsection shall be branded "SALVAGE." The Transportation Cabinet shall use a unique method of identification to differentiate a salvage title issued under this subsection from other salvage titles.
- (6) (a) Upon receipt of a salvage certificate of title issued pursuant to subsection (5) of this section, or an out-of-state junking certificate or other ownership document bearing a designation of "junk," "unrebuildable," or other similar classification that disqualifies the vehicle from being titled for use on the highway in that state, and proof of passing the inspection required by KRS 186A.115, the cabinet shall issue a new certificate of title with the words "REBUILT VEHICLE" printed on the face of the title. The Transportation Cabinet shall use a unique method of identification to differentiate a rebuilt brand issued under this paragraph from other rebuilt brands. The brand shall be carried forward and printed in the appropriate section on the face of all titles issued thereafter for that motor vehicle.
- (b) A person who obtains a rebuilt title under this subsection shall permanently affix a plate of metallic composition within the opening for the driver's side door which states "REBUILT VEHICLE - May Not Be Eligible For Title In All States."
- (7) (a) When an insurance company makes a claim settlement on a vehicle that has been stolen and recovered, if the vehicle meets the definition of a salvage vehicle as set forth in KRS 186A.520, the company shall apply for a salvage certificate of title as provided for in KRS 186A.520. Upon receipt of this information, the cabinet shall issue the company a certificate of title to replace a salvage certificate of title. The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A regarding the forms and any additional information which insurance companies shall be required to obtain and submit when seeking a certificate of title to replace a salvage certificate of title.
- (b) In claim settlements that do not involve transfer of the vehicle to the insurance company, an insurer shall not render payment on a damage claim for a vehicle whose damage meets or exceeds seventy-five percent (75%) of the value of the vehicle, until the insurer has received proof that the owner has surrendered the title or has applied for a salvage certificate of title as set forth in KRS 186A.520. The owner shall apply for a salvage certificate of title within three (3) working days of the agreed settlement. This subsection shall not apply to hail-damaged vehicles under KRS 186A.555.
- (c) An insurance company shall not refuse coverage to, and shall not reclassify coverage of, a vehicle that has been issued a rebuilt title pursuant to the provisions of this section.
- (8) A motor vehicle owner or a motor vehicle dealer licensed in this state who offers for sale, trade, or transfer a motor vehicle which carries a title brand, as set forth in subsection (2) or (6) of this section, shall disclose the nature of the brand to any prospective buyer or transferee, prior to the sale, and according to the following:
- (a) Dealer disclosure shall be located on a sticker placed on the vehicle. The sticker wording shall be printed in at least ten (10) point, bold face type, on a background of obviously different color, and shall include the following: "THIS IS A REBUILT VEHICLE." This disclosure information shall not appear on vehicles that do not have a branded title. Dealer disclosure shall also be located on a buyer's notification form to be approved by the Transportation Cabinet. The form shall inform the buyer that the vehicle is a rebuilt vehicle and may include any other information the cabinet deems necessary; and

- (b) Nondealer disclosure shall be made in accordance with the procedures provided for in KRS 186A.060. The Department of Vehicle Regulation shall ensure that disclosure information appears near the beginning of the application for title and informs the buyer that the vehicle is a rebuilt vehicle.
- (9) Failure of a dealer to procure the buyer's acknowledgment signature on the buyer's notification form or failure of any person other than a dealer to procure the buyer's acknowledgment signature on the vehicle transaction record form shall render the sale voidable at the election of the buyer. The election to render the sale voidable shall be limited to forty-five (45) days after issuance of the title. This provision shall not bar any other remedies otherwise available to the purchaser.
- (10) The notification provisions of this section shall not apply to motor vehicles more than ten (10) model years old.
- (11) *A manufacturer licensed under KRS Chapter 190 shall not prohibit or restrict the installation of vehicle software on a vehicle that has been issued a rebuilt title under this section.*
- (12) The Transportation Cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A, regarding the administration of the title branding procedure. The administrative regulations shall include the manner in which salvage titles and rebuilt brands on vehicles previously declared unrebuildable by another state are differentiated from other salvage titles and rebuilt brands. The administrative regulations may include designation of additional brands which provide significant information to the owner.

➔Section 43. KRS 186.010 is amended to read as follows:

As used in this chapter, unless otherwise indicated:

- (1) "Cabinet," as used in KRS 186.400 to 186.640, means the Transportation Cabinet; except as specifically designated, "cabinet," as used in KRS 186.020 to 186.270, means the Transportation Cabinet only with respect to motor vehicles, other than commercial vehicles; "cabinet," as used in KRS 186.020 to 186.270, means the Department of Vehicle Regulation when used with respect to commercial vehicles;
- (2) "Highway" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license, or privilege, for the purpose of vehicular traffic;
- (3) "Manufacturer" means any person engaged in manufacturing motor vehicles who will, under normal conditions during the year, manufacture or assemble at least ten (10) new motor vehicles;
- (4) "Motor vehicle" means in KRS 186.020 to 186.260, all vehicles, as defined in paragraph (a) of subsection (8) of this section, which are propelled otherwise than by muscular power. As used in KRS 186.400 to 186.640, it means all vehicles, as defined in paragraph (b) of subsection (8) of this section, which are self-propelled. "Motor vehicle" shall not include a moped as defined in this section, but for registration purposes shall include low-speed vehicles and military surplus vehicles as defined in this section and vehicles operating under KRS 189.283;
- (5) "Moped" means either a motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step-through type frame which may or may not have pedals rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;
- (6) "Operator" means any person in actual control of a motor vehicle upon a highway;
- (7) (a) "Owner" means a person who holds the legal title of a vehicle or a person who pursuant to a bona fide sale has received physical possession of the vehicle subject to any applicable security interest.
- (b) A vehicle is the subject of an agreement for the conditional sale or lease, with the vendee or lessee entitled to possession of the vehicle, upon performance of the contract terms, for a period of three hundred sixty-five (365) days or more and with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or if a mortgagor of a vehicle is entitled to possession, the conditional vendee or lessee or mortgagor shall be deemed the owner.
- (c) A licensed motor vehicle dealer who transfers physical possession of a motor vehicle to a purchaser pursuant to a bona fide sale, and complies with the requirements of KRS 186A.220, shall not be deemed the owner of that motor vehicle solely due to an assignment to his dealership or a certificate of title in

the dealership's name. Rather, under these circumstances, ownership shall transfer upon delivery of the vehicle to the purchaser, subject to any applicable security interest;

- (8) (a) "Vehicle," as used in KRS 186.020 to 186.260, includes all agencies for the transportation of persons or property over or upon the public highways of this Commonwealth and all vehicles passing over or upon said highways, except electric low-speed scooters, road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails, and such vehicles as are propelled by electric power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the city limit of any municipality.
- (b) As used in KRS 186.400 to 186.640, "vehicle" means every device in, upon, or by which any person or property is or may be transported or drawn upon a public highway, except electric low-speed scooters, devices moved by human and animal power or used exclusively upon stationary rails or tracks, or which derives its power from overhead wires;
- (9) KRS 186.020 to 186.270 apply to motor vehicle licenses. KRS 186.400 to 186.640 apply to operator's licenses;
- (10) "Dealer" means any person engaging in the business of buying or selling motor vehicles;
- (11) "Commercial vehicles" means all motor vehicles that are required to be registered under the terms of KRS 186.050, but not including vehicles primarily designed for carrying passengers and having provisions for not more than nine (9) passengers (including driver), motorcycles, sidecar attachments, pickup trucks and passenger vans which are not being used for commercial or business purposes, and motor vehicles registered under KRS 186.060;
- (12) "Resident" means any person who has established Kentucky as his or her state of domicile. Proof of residency shall include but not be limited to a deed or property tax bill, utility agreement or utility bill, or rental housing agreement. The possession by an operator of a vehicle of a valid Kentucky operator's license shall be prima-facie evidence that the operator is a resident of Kentucky;
- (13) "Special status individual" means:
- (a) "Asylee" means any person lawfully present in the United States who possesses an I-94 card issued by the United States Department of Justice, Immigration and Naturalization Service, on which it states "asylum status granted indefinitely pursuant to Section 208 of the Immigration & Nationality Act";
- (b) "K-1 status" means the status of any person lawfully present in the United States who has been granted permission by the United States Department of Justice, Immigration and Naturalization Service to enter the United States for the purpose of marrying a United States citizen within ninety (90) days from the date of that entry;
- (c) "Refugee" means any person lawfully present in the United States who possesses an I-94 card issued by the United States Department of Justice, Immigration and Naturalization Service, on which it states "admitted as a refugee pursuant to Section 207 of the Immigration & Nationality Act"; and
- (d) "Paroled in the Public Interest" means any person lawfully present in the United States who possesses an I-94 card issued by the United States Department of Justice, Immigration and Naturalization Service, on which it states "paroled pursuant to Section 212 of the Immigration & Nationality Act for an indefinite period of time";
- (14) "Instruction permit" includes both motor vehicle instruction permits and motorcycle instruction permits;
- (15) "Motorcycle" means any motor driven vehicle that has a maximum speed that exceeds fifty (50) miles per hour, has a seat or saddle for the use of the operator, and is designed to travel on not more than three (3) wheels in contact with the ground, including vehicles on which the operator and passengers ride in an enclosed cab. Only for purposes of registration, "motorcycle" shall include a motor scooter, an alternative-speed motorcycle, and an auticycle as defined in this section, but shall not include a tractor or a moped as defined in this section;
- (16) "Low-speed vehicle" means a motor vehicle that:
- (a) Is self-propelled using an electric motor, combustion-driven motor, or a combination thereof;
- (b) Is four (4) wheeled; and

- (c) Is designed to operate at a speed not to exceed twenty-five (25) miles per hour as certified by the manufacturer;
- (17) "Alternative-speed motorcycle" means a motorcycle that:
- (a) Is self-propelled using an electric motor;
 - (b) Is three (3) wheeled;
 - (c) Has a fully enclosed cab and includes at least one (1) door for entry;
 - (d) Is designed to operate at a speed not to exceed forty (40) miles per hour as certified by the manufacturer; and
 - (e) Is not an auticycle as defined in this section;
- (18) "Multiple-vehicle driving range" means an enclosed area that is not part of a highway or otherwise open to the public on which a number of motor vehicles may be used simultaneously to provide driver training under the supervision of one (1) or more driver training instructors;
- (19) "Auticycle" means any motor vehicle that:
- (a) Is equipped with a seat that does not require the operator to straddle or sit astride it;
 - (b) Is designed to travel on three (3) wheels in contact with the ground;
 - (c) Is designed to operate at a speed that exceeds forty (40) miles per hour as certified by the manufacturer;
 - (d) Allows the operator and passenger to ride either side-by-side or in tandem in a seating area that may be enclosed with a removable or fixed top;
 - (e) Is equipped with a three (3) point safety belt system;
 - (f) May be equipped with a manufacturer-installed air bags or a roll cage;
 - (g) Is designed to be controlled with a steering wheel and pedals; and
 - (h) Is not an alternative-speed motorcycle as defined in this section;
- (20) "Military surplus vehicle" means a multipurpose wheeled surplus military vehicle that:
- (a) Is not operated using continuous tracks;
 - (b) Was originally manufactured for and sold directly to the Armed Forces of the United States; and
 - (c) Was originally manufactured under the federally mandated requirements set forth in 49 C.F.R. sec. 571.7;
- (21) "Livestock" means cattle, sheep, swine, goats, horses, alpacas, llamas, buffaloes, and any other animals of the bovine, ovine, porcine, caprine, equine, or camelid species;
- (22) "Identity document" means an instruction permit, operator's license, or personal identification card issued under KRS 186.4102, 186.412, 186.4121, 186.4122, and 186.4123 or a commercial driver's license issued under KRS Chapter 281A;
- (23) "Travel ID," as it refers to an identity document, means a document that complies with Pub. L. No. 109-13, Title II;
- (24) "Motor scooter" means a low-speed motorcycle that is:
- (a) Equipped with wheels greater than sixteen (16) inches in diameter;
 - (b) Equipped with an engine greater than fifty (50) cubic centimeters;
 - (c) Designed to operate at a speed not to exceed fifty (50) miles per hour;
 - (d) Equipped with brake horsepower of two (2) or greater; and
 - (e) Equipped with a step-through frame or a platform for the operator's feet;
- (25) "Alternative technology," as used in KRS 186.400 to 186.640, means methods used by the cabinet to facilitate the issuance of operator's licenses and personal identification cards outside of the normal in-person application at a cabinet office, including but not limited to a cabinet mobile unit or online services;

- (26) "Electric motorcycle" means the same as "motorcycle" or "motor scooter" as defined in this section, that is powered by a:
- (a) Battery or equivalent energy storage device that can be charged with an electric plug using an external electricity source; or
 - (b) Combination of an internal combustion engine and electric motor; and
- (27) "Electric vehicle" means any vehicle that has plug-in charging capability, regardless of whether the vehicle is powered by:
- (a) An electric motor only; or
 - (b) A combination of an internal combustion engine and electric power; *and*
- (28) *"Manufactured home" has the same meaning as in KRS 227.550.*
- ➔SECTION 44. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:
- (1) *As used in this section:*
- (a) *"Beneficiary" means a person designated to receive title to a vehicle upon the death of the preceding owner or joint owners;*
 - (b) *"Beneficiary designation form" means a form that contains the intention of a present owner or joint owners of a vehicle to name one (1) beneficiary to receive title to the vehicle upon the death of the owner or last surviving joint owner of the vehicle;*
 - (c) *"Joint owner":*
 1. *Means an individual who owns a vehicle with one (1) or more other individuals as joint tenants with rights of survivorship; and*
 2. *Does not include an individual who owns a vehicle with one (1) or more other individuals as tenants in common;*
 - (d) *"Owner" means an individual who owns a vehicle; and*
 - (e) *"Vehicle" includes any motor vehicle, motorcycle, motor home, trailer, or other item for which a certificate of title is issued by the cabinet.*
- (2) *The cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to:*
- (a) *Provide a beneficiary designation form that allows the owner or joint owners of a vehicle to provide for the transfer of the vehicle's title to one (1) named beneficiary upon the death of the owner or upon the death of all joint owners of the vehicle. The form shall include but not be limited to fields for the following information:*
 1. *The manufacturer, model, year, and vehicle identification number of the vehicle;*
 2. *The name of the owner or every joint owner of the vehicle;*
 3. *The words "transfer on death to," or the abbreviation "TOD," followed by the name of the beneficiary; and*
 4. *The signature of the owner of the vehicle or of each joint owner of the vehicle; and*
 - (b) *Require the county clerk to record the name of the beneficiary on the title upon receipt of the fee under KRS 186A.130.*
- (3) *The cabinet shall make beneficiary forms available:*
- (a) *In each county clerk's office; and*
 - (b) *On the cabinet's public website.*
- (4) *Upon the death of the owner, or the last surviving joint owner, of a vehicle for which a beneficiary has been designated under subsection (2) of this section, the beneficiary shall present to the county clerk:*
- (a) *A death certificate of the owner or last surviving joint owner of the vehicle;*

- (b) *Proof of payment of ad valorem taxes on the vehicle for the current year, or if the taxes have not been paid, the beneficiary may elect to pay the taxes to facilitate the transfer;*
- (c) *The paper title, or duplicate title, if the title is not held in electronic format; and*
- (d) *The fee required under KRS 186A.130 for the certificate of title transfer.*
- (5) *Upon presentation of the documents as required under subsection (4) of this section, the county clerk, subject to any security interest in the vehicle, shall issue a new certificate of title to the beneficiary.*
- (6) *During the lifetime of the owner of the vehicle for which a beneficiary has been designated or before the death of the last surviving joint owner of the vehicle:*
 - (a) *The signature or consent of the beneficiary shall not be required for any transaction relating to the vehicle; and*
 - (b) *The owner or surviving joint owners of the vehicle may revoke or change the beneficiary designation at any time by:*
 - 1. *Selling the vehicle with proper transfer and delivery of the certificate of title to another person; or*
 - 2. *Properly executing a subsequent beneficiary designation form that removes the current beneficiary or designates a new beneficiary in conformity with subsection (2) of this section.*
- (7) *Upon the death of the owner or the last surviving joint owner of a vehicle for which a beneficiary has been designated, the interest of the beneficiary in the vehicle shall be subject to any contract of sale, assignment, or ownership or security interest to which the owner or joint owners of the vehicle were subject during their lifetime.*
- (8) *Except as provided in subsection (6)(b) of this section, the designation of a beneficiary shall not be changed or revoked by will, codicil, or by other instrument.*
- (9) *A beneficiary may disclaim the interest in the motor vehicle on a form promulgated by the Transportation Cabinet in accordance with KRS Chapter 13A.*
- (10) *The transfer on death of a vehicle under this section shall be a nontestamentary transfer and shall not be subject to any tax under KRS 138.460.*

➔Section 45. KRS 138.470 is amended to read as follows:

There is expressly exempted from the tax imposed by KRS 138.460:

- (1) (a) Motor vehicles titled or registered to the United States, or to the Commonwealth of Kentucky or any of its political subdivisions; and
- (b) The gross rental or lease charges for the rental or lease of a motor vehicle paid by the United States, or the Commonwealth of Kentucky or any of its political subdivisions;
- (2) Motor vehicles titled or registered to institutions of purely public charity and institutions of education not used or employed for gain by any person or corporation;
- (3) Motor vehicles which have been previously titled in Kentucky on or after July 1, 2005, or previously registered and titled in any state or by the federal government when being sold or transferred to licensed motor vehicle dealers for resale. The motor vehicles shall not be leased, rented, or loaned to any person and shall be held for resale only;
- (4) Motor vehicles sold by or transferred from dealers registered and licensed in compliance with the provisions of KRS 186.070 and KRS 190.010 to 190.080 to members of the Armed Forces on duty in this Commonwealth under orders from the United States government;
- (5) Commercial motor vehicles, excluding passenger vehicles having a seating capacity for nine (9) persons or less, owned by nonresident owners and used primarily in interstate commerce and based in a state other than Kentucky which are required to be registered in Kentucky by reason of operational requirements or fleet proration agreements and are registered pursuant to KRS 186.145;
- (6) Motor vehicles titled in Kentucky on or after July 1, 2005, or previously registered in Kentucky, transferred between husband and wife, parent and child, stepparent and stepchild, or grandparent and grandchild;

- (7) Motor vehicles transferred when a business changes its name and no other transaction has taken place or an individual changes his or her name;
- (8) Motor vehicles transferred to a corporation from a proprietorship or limited liability company, to a limited liability company from a corporation or proprietorship, or from a corporation or limited liability company to a proprietorship, within six (6) months from the time that the business is incorporated, organized, or dissolved, if the transferor and the transferee are the same business entity except for a change in legal form;
- (9) Motor vehicles transferred by will, court order, or under the statutes covering descent and distribution of property, if the vehicles were titled in Kentucky on or after July 1, 2005, or previously registered in Kentucky;
- (10) Motor vehicles transferred between a subsidiary corporation and its parent corporation if there is no consideration, or nominal consideration, or in sole consideration of the cancellation or surrender of stock;
- (11) Motor vehicles transferred between a limited liability company and any of its members, if there is no consideration, or nominal consideration, or in sole consideration of the cancellation or surrender of stock;
- (12) The interest of a partner in a motor vehicle when other interests are transferred to him *or her*;
- (13) Motor vehicles repossessed by a secured party who has a security interest in effect at the time of repossession and a repossession affidavit as required by KRS 186.045(6). The reposessor shall hold the vehicle for resale only and not for personal use, unless he *or she* has previously paid the motor vehicle usage tax on the vehicle;
- (14) Motor vehicles transferred to an insurance company to settle a claim. These vehicles shall be junked or held for resale only;
- (15) Motor carriers operating under a charter bus certificate issued by the Transportation Cabinet under KRS Chapter 281;
- (16) (a) 1. Motor vehicles registered under KRS 186.050 that have a declared gross vehicle weight with any towed unit of forty-four thousand and one (44,001) pounds or greater; and
2. Farm trucks registered under KRS 186.050(4) that have a declared gross vehicle weight with any towed unit of forty-four thousand and one (44,001) pounds or greater.
(b) To be eligible for the exemption established in paragraph (a) of this subsection, motor vehicles shall be registered at the appropriate range for the declared gross weight of the vehicle established in KRS 186.050(3)(b) and shall be prohibited from registering at a higher weight range. If a motor vehicle is initially registered in one (1) declared gross weight range and subsequently is registered at a declared gross weight range lower than forty-four thousand and one (44,001) pounds, the person registering the vehicle shall be required to pay the county clerk the usage tax due on the vehicle unless the person can provide written proof to the clerk that the tax has been previously paid;
- (17) Motor vehicles transferred to a trustee to be held in trust, or from a trustee to a beneficiary of the trust, if a direct transfer from the grantor of the trust to all individual beneficiaries of the trust would have qualified for an exemption from the tax pursuant to subsection (6) or (9) of this section;
- (18) Motor vehicles transferred to a trustee to be held in trust, if the grantor of the trust is a natural person and is treated as the owner of any portion of the trust for federal income tax purposes under the provisions of 26 U.S.C. secs. 671 to 679;
- (19) Motor vehicles transferred from a trustee of a trust to another person if:
 - (a) The grantor of the trust is a natural person and is treated as the owner of any portion of the trust for federal income tax purposes under the provisions of 26 U.S.C. secs. 671 to 679; and
 - (b) A direct transfer from the grantor of the trust to the person would have qualified for an exemption from the tax pursuant to subsection (6) or (9) of this section;~~and~~
- (20) Motor vehicles under a manufacturer's statement of origin in possession of a licensed new motor vehicle dealer that are titled and transferred to a licensed used motor vehicle dealer and held for sale; *and*
- (21) *Motor vehicles transferred under Section 44 of this Act.*

➔SECTION 46. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

In accordance with 49 C.F.R. sec. 383.3(f)(3)(ii), as it existed on the effective date of this Act, exemptions for restricted CDLs for certain drivers in farm-related service industries, the cabinet shall promulgate emergency and

ordinary administrative regulations in accordance with KRS Chapter 13A to extend the allowable time length of a limited CDL to the maximum length allowed under 49 C.F.R sec. 383.3(f)(3)(ii), as it existed on the effective date of this Act.

➔Section 47. The following KRS section is repealed:

189.271 Special permits for hauling industrial materials -- Renewals -- Administrative regulations -- Overweight and overdimensional vehicles.

➔Section 48. Sections 28 to 38 of this Act take effect January 1, 2027.

➔Section 49. Sections 39 to 41 and 44 to 45 of this Act take effect January 1, 2028.

➔Section 50. Whereas on September 29, 2022, 49 C.F.R sec. 383.3(f)(3)(ii) was amended to allow states that issue limited commercial driver's licenses to increase the allowable usage within a 12-month period from 180 days to 210 days for certain drivers in farm-related service industries, and the Transportation Cabinet has not taken action to comply with this federal regulation, an emergency is declared to exist, and Section 46 of this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor April 13, 2026.