

Local Mandate Fiscal Impact Estimate
Kentucky Legislative Research Commission
2015 Regular Session

Part I: Measure Information

Bill Request #: 71

Bill #: HB 20 GA

Bill Subject/Title: AN ACT relating to the valuation of motor vehicles for property tax purposes.

Sponsor: Rep. Hubert Collins

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

Office(s) Impacted: Property Valuation Administrator (PVA)

Requirement: X Mandatory Optional

Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

HB 20 GA would modify the way in which the property valuation administrator (PVA), in conjunction with the state Department of Revenue, assesses motor vehicles that are 20 years old or older for purposes of the state and local property tax. The bill would establish the standard value for said vehicles as being the actual assessed value of the vehicle in its nineteenth year of age, reduced by 10% per year beyond that time. For vehicles that were not assessed in their nineteenth year, the standard value would be the average trade-in value prescribed by the relevant industry manual for the vehicle in its nineteenth year, reduced by 10% per year beyond that time.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

To administer the provisions of HB 20 GA, each PVA, along with the state Department of Revenue, would have to adjust their procedures and computer systems as applied to motor vehicles aged 20 years and older to ensure proper assessment. There would be some administrative burden and cost at the local level as a result. However, these burdens are not expected to be substantial because the computer systems currently in use

by PVAs and the department are capable of making this type of automatic calculation for vehicles of this age.

HB 20 GA is not expected to have a substantial impact on local government revenues, because the bill would largely codify what is the existing practice in most cases.

Data Source(s): LRC staff

Preparer: Eric Kennedy **Reviewer:** MCY **Date:** 11/5/14