

1 AN ACT relating to the valuation of motor vehicles for property tax purposes and  
2 declaring an emergency.

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

4 ➔Section 1. KRS 132.485 is amended to read as follows:

5 (1) (a) 1. ~~[Except as otherwise provided in paragraph (b) of this subsection,]~~The  
6 registration of a motor vehicle with a county clerk in order to operate it  
7 or permit it to be operated upon the highways of the state shall be  
8 deemed consent by the registrant for the motor vehicle to be assessed by  
9 the property valuation administrator from a standard manual prescribed  
10 by the department for valuing motor vehicles for assessment unless:

11 a.~~[1.]~~The registrant appears before the property valuation administrator  
12 to assess the vehicle; or

13 b.~~[2.]~~The motor vehicle is twenty (20) years old or older, in which case  
14 paragraph (b) of this subsection applies regarding its valuation.

15 2. The standard value of motor vehicles shall be the average trade-in value,  
16 **not the rough or clean trade-in values,** prescribed by the valuation  
17 manual~~[unless information is available that warrants any deviation from~~  
18 ~~the standard value].~~

19 3. **The property valuation administrator may adjust the value of a motor**  
20 **vehicle when the registrant has provided evidence that the standard**  
21 **value does not reflect the motor vehicle's condition, options, mileage,**  
22 **or certificate of title issued.**

23 (b) In the case of motor vehicles that are twenty (20) years old or older:

24 1. It shall not be presumed that a vehicle has been maintained in, or  
25 restored to, the original factory or otherwise classic condition or that its  
26 value has increased over the previous year;

27 2. In assessing motor vehicles under this paragraph and calculating the

1 taxes due thereon, through the AVIS or otherwise, if the registrant does  
2 not appear before the property valuation administrator to assess the  
3 vehicle, the standard value shall be as follows:

4 a. The actual valuation of the vehicle as was assessed in the vehicle's  
5 nineteenth year, if the vehicle was assessed for taxation in the  
6 Commonwealth in that year; or

7 b. The average trade-in value prescribed by the applicable edition of  
8 the valuation manual for the vehicle in its nineteenth year, if the  
9 vehicle was not assessed for taxation in the Commonwealth in that  
10 year;

11 reduced by ten percent (10%) annually for each year beyond nineteen  
12 (19) years; and

13 3. In the case of any motor vehicle for which the assessment procedure  
14 provided in subparagraph 2.b. of this paragraph would apply but cannot  
15 be carried out because the applicable edition of the valuation manual is  
16 unavailable, the property valuation administrator shall conduct an  
17 assessment of the vehicle to determine the value thereof for the given  
18 taxable year. The assessment under this subparagraph may be done in  
19 person if the vehicle's owner presents the vehicle at the property  
20 valuation administrator's office, or the assessment may be done through  
21 a review of photographs and other documentary evidence. In subsequent  
22 years, that valuation shall be reduced by ten percent (10%) annually.

23 (2) The registration of a recreational vehicle with the county clerk in order to operate it  
24 or permit it to be operated upon the highways shall be deemed consent by the  
25 registrant thereof for the recreational vehicle to be assessed by the property  
26 valuation administrator at a valuation determined from a standard manual  
27 prescribed by the department for valuing recreational vehicles for assessment unless

1 the registrant appears in person before the property valuation administrator to assess  
2 the vehicle.

3 (3) The registration of a motor vehicle on or before the date that the registration of the  
4 vehicle is required is prima facie evidence of ownership on January 1.

5 (4) When a motor vehicle is purchased in one (1) year, but registration takes place after  
6 January 1 of the following year through no fault of the owner, the department shall  
7 assess the motor vehicle and shall send notice of the assessment to the January 1  
8 owner in accordance with KRS 186A.035. If the month of registration has passed  
9 for the current year, the assessment shall be due and payable if not protested to the  
10 department within sixty (60) days from the date of the notice. Payments made after  
11 the due date shall carry the normal penalty and interest for motor vehicles.

12 (5) This section does not apply to motor vehicles or recreational vehicles owned and  
13 operated by public service companies, common carriers, or agencies of the state and  
14 federal governments.

15 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO  
16 READ AS FOLLOWS:

17 (1) For the January 1, 2022, and January 1, 2023, assessment dates, when a motor  
18 vehicle is assessed under Section 1 of this Act, the portion of property taxes  
19 computed on any increase in the motor vehicle's valuation from January 1, 2021,  
20 shall be exempt from state and local ad valorem taxes, including the county, city,  
21 school, or other taxing district in which the motor vehicle has taxable situs.

22 (2) Taxpayers who paid motor vehicle property taxes for the January 1, 2022,  
23 assessment date on any increase in their motor vehicle's valuation from January,  
24 1, 2021, shall be entitled to a refund of the overpayment of taxes under the  
25 exemption provided in this section. Notwithstanding KRS 134.590, the  
26 department and county clerks shall work together to establish procedures that  
27 enable taxpayers to receive refunds without making a written request. Refunds

1        *issued under this subsection shall be issued within ninety (90) days of the*  
2        *effective date of this Act.*

3        ➔Section 3. Section 1 of this Act shall apply to motor vehicles assessed on or  
4 after January 1, 2024.

5        ➔Section 4. Section 2 of this Act shall apply to motor vehicles assessed on or  
6 after January 1, 2022.

7        ➔Section 5. Whereas the valuation of motor vehicles is essential for assessing  
8 property taxes and affects citizens throughout the Commonwealth, an emergency is  
9 declared to exist, and this Act takes effect upon its passage and approval by the Governor  
10 or upon its otherwise becoming a law.