

1 AN ACT relating to the assessment 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) 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 or
7 permit it to be operated upon the highways of the state shall be deemed
8 consent by the registrant for the motor vehicle to be assessed by the property
9 valuation administrator from a standard manual prescribed by the department
10 for valuing motor vehicles for assessment unless:

- 11 1. The registrant appears before the property valuation administrator to
12 assess the vehicle; or
- 13 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 The standard value of motor vehicles shall be the average trade-in value
16 prescribed by the valuation manual unless information is available that
17 warrants any deviation from the standard value.

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

- 19 1. It shall not be presumed that a vehicle has been maintained in, or
20 restored to, the original factory or otherwise classic condition or that its
21 value has increased over the previous year;
- 22 2. In assessing motor vehicles under this paragraph and calculating the
23 taxes due thereon, through the AVIS or otherwise, if the registrant does
24 not appear before the property valuation administrator to assess the
25 vehicle, the standard value shall be as follows:

- 26 a. The actual valuation of the vehicle as was assessed in the vehicle's
27 nineteenth year, if the vehicle was assessed for taxation in the

- 1 Commonwealth in that year; or
- 2 b. The average trade-in value prescribed by the applicable edition of
- 3 the valuation manual for the vehicle in its nineteenth year, if the
- 4 vehicle was not assessed for taxation in the Commonwealth in that
- 5 year;
- 6 reduced by ten percent (10%) annually for each year beyond nineteen
- 7 (19) years; and
- 8 3. In the case of any motor vehicle for which the assessment procedure
- 9 provided in subparagraph 2.b. of this paragraph would apply but cannot
- 10 be carried out because the applicable edition of the valuation manual is
- 11 unavailable, the property valuation administrator shall conduct an
- 12 assessment of the vehicle to determine the value thereof for the given
- 13 taxable year. The assessment under this subparagraph may be done in
- 14 person if the vehicle's owner presents the vehicle at the property
- 15 valuation administrator's office, or the assessment may be done through
- 16 a review of photographs and other documentary evidence. In subsequent
- 17 years, that valuation shall be reduced by ten percent (10%) annually.

18 **(c) For the January 1, 2022, January 1, 2023, and January 1, 2024, assessment**

19 **dates, the portion of property taxes computed on any increase in a motor**

20 **vehicle's valuation from January 1, 2021, when the motor vehicle is**

21 **assessed under this section shall be exempt from state and local ad valorem**

22 **taxes, including the county, city, school, or other taxing district in which the**

23 **motor vehicle has taxable situs.**

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

1 prescribed by the department for valuing recreational vehicles for assessment unless
2 the registrant appears in person before the property valuation administrator to assess
3 the vehicle.

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

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

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

16 ➔Section 2. This Act applies to motor vehicles assessed on or after January 1,
17 2022. Refunds of the overpayment of motor vehicle property taxes due to the retroactive
18 application of this Act shall be granted under KRS 134.590.

19 ➔Section 3. Whereas a drastic increase in motor vehicle property tax bills affects
20 the finances of citizens throughout the Commonwealth, an emergency is declared to exist,
21 and this Act takes effect upon its passage and approval by the Governor or upon its
22 otherwise becoming a law.