

1 AN ACT relating to exempting motor vehicles from property taxation and declaring  
2 an emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO  
5 READ AS FOLLOWS:

6 *(1) There shall be exempt from ad valorem taxation:*

7 *(a) For state purposes, motor vehicles as defined under KRS 186.010 and*  
8 *assessed for taxation under KRS 132.485; and*

9 *(b) For the 2022 assessment date, the property taxes calculated by multiplying*  
10 *the standard value prescribed by the valuation manual under KRS 132.485*  
11 *for the motor vehicle as of January 1, 2021, by either:*

12 *1. The property tax rates set for the January 1, 2021, assessment date by*  
13 *the taxing districts in which the motor vehicle had taxable situs as of*  
14 *January 1, 2021, if the motor vehicle was located in the state on*  
15 *January 1, 2021; or*

16 *2. The property tax rates set for the January 1, 2021, assessment date by*  
17 *the taxing districts in which the motor vehicle had taxable situs as of*  
18 *January 1, 2022, if the motor vehicle was not located in the state on*  
19 *January 1, 2021;*

20 *and subtracting the product from the total property taxes due on the motor*  
21 *vehicle as assessed for the January 1, 2022, assessment date under KRS*  
22 *132.485.*

23 ➔Section 2. KRS 134.805 is amended to read as follows:

24 (1) ~~{The county clerk shall be allowed by the Department of Revenue, for collecting~~  
25 ~~state ad valorem taxes on motor vehicles, a commission of four percent (4%) on~~  
26 ~~state taxes collected.~~

27 (2) The county clerk shall be allowed by the county treasurer, for collecting county and

1 special district ad valorem taxes on motor vehicles, a commission of four percent  
2 (4%) on county and special taxes collected.

3 ~~(2)~~~~(3)~~ The county clerk shall be allowed a commission of four percent (4%) of the  
4 school district taxes collected.

5 ~~(3)~~~~(4)~~ Effective January 1, 1985, the county clerk shall be allowed a commission of  
6 four percent (4%) of the city or urban-county government taxes collected.

7 ~~(4)~~~~(5)~~ (a) For the convenience and benefit of the Commonwealth's citizens and to  
8 maximize ad valorem tax collections, county clerks shall be responsible for  
9 causing the preparation and mailing of a notice of ad valorem taxes due to the  
10 January 1 owner, as defined in KRS 186.010(7)(a) and (c), of each motor  
11 vehicle no later than forty-five (45) days prior to the ad valorem tax and  
12 registration renewal due date in each calendar year.

13 (b) When a vehicle is transferred in any year before the ad valorem taxes on that  
14 vehicle have been paid, a notice of taxes due shall be sent within ten (10)  
15 working days after the date of transfer or notice of transfer to the owner as of  
16 January 1 of that year.

17 (c) When ad valorem taxes on a vehicle become delinquent for sixty (60) days, as  
18 defined by KRS 134.810, a second notice shall be sent within ten (10)  
19 working days to the January 1 owner of record. The notice shall inform the  
20 delinquent owner of the lien provisions provided by KRS 134.810 on all  
21 vehicles owned or acquired by the owner of the vehicle at the time the tax  
22 liability arose.

23 (d) These notices shall be calculated, prepared, and mailed first class on behalf of  
24 county clerks by the AVIS. Nonreceipt of the notices required herein shall not  
25 constitute any defense against applicable penalty, interest, lien fees, or costs  
26 recovery.

27 ➔Section 3. KRS 186.020 is amended to read as follows:

1 (1) Before the owner of a motor vehicle, other than a motor vehicle engaged in the  
2 transportation of passengers for hire operating under a certificate of convenience  
3 and necessity, may operate it or permit its operation upon a highway, the owner  
4 shall apply for registration in accordance with administrative regulations  
5 promulgated by the cabinet, except that a person who purchases a motor vehicle, or  
6 brings a motor vehicle into the Commonwealth from another state shall make  
7 application for registration within fifteen (15) days. The bill of sale or assigned title  
8 must be in the motor vehicle during this fifteen (15) day period. If the owner of a  
9 motor vehicle is an individual and resides in the Commonwealth, the motor vehicle  
10 shall be registered with the county clerk of the county in which he resides. If the  
11 owner of a motor vehicle does not reside in the Commonwealth, the motor vehicle  
12 shall be registered with the county clerk of the county in which the motor vehicle is  
13 principally operated. If the owner of a motor vehicle is other than an individual and  
14 resides in the Commonwealth, the motor vehicle shall be registered with the county  
15 clerk of either county. The application when presented to the county clerk for  
16 registration shall be accompanied by:

- 17 (a) A bill of sale and a manufacturer's certificate of origin if the application is for  
18 the registration of a new motor vehicle;
- 19 (b) The owner's registration receipt, if the motor vehicle was last registered in this  
20 state;
- 21 (c) A bill of sale and the previous registration receipt, if last registered in another  
22 state where the law of that state does not require the owner of a motor vehicle  
23 to obtain a certificate of title or ownership;
- 24 (d) A certificate of title, if last registered in another state where the law of that  
25 state requires the owner of a motor vehicle to obtain a certificate of title or  
26 ownership;
- 27 (e) An affidavit from an officer of a local government saying that the motor

1 vehicle has been abandoned and that the provisions of KRS 82.630 have been  
2 complied with, for local governments which elect to use the provisions of  
3 KRS 82.600 to 82.640; and

4 (f) The application from a person who has brought a motor vehicle into the  
5 Commonwealth from another state shall be accompanied by proof that the  
6 motor vehicle is insured in compliance with KRS 304.39-080.

7 (2) After that, except as provided in subsection (6) of this section, the owner of any  
8 motor vehicle registered under KRS 186.050(1) or (2) shall register his motor  
9 vehicle on or before the date on which his certificate of registration expires. If,  
10 before operating the motor vehicle in this state, the owner registers it at some later  
11 date and pays the fee for the full year, he or she will be deemed to have complied  
12 with the law. Insofar as the owner is concerned, registration with the clerk shall be  
13 deemed to be registration with the cabinet.

14 (3) After that, the owner of any commercial vehicle registered under KRS 186.050(3) to  
15 (14) shall register the commercial vehicle on or before April 1 of each year. If,  
16 before operating a commercial vehicle in this state, the owner registers it at some  
17 later date and pays the required fee, he or she will be deemed to have complied with  
18 the law. Insofar as the owner is concerned, registration with the clerk shall be  
19 deemed to be registration with the cabinet, except the owner of any commercial  
20 motor vehicle to be registered pursuant to the International Registration Plan under  
21 KRS 186.050(13) shall register the commercial motor vehicles on or before the last  
22 day of the month of registration established pursuant to KRS 186.051(3).

23 (4) The application and documents presented therewith, including the sheriff's  
24 certificate of inspection, shall be affixed to the Transportation Cabinet copy of the  
25 certificate of title or registration and sent to the Transportation Cabinet by the clerk.

26 (5) At least forty-five (45) days prior to the expiration of registration of any motor  
27 vehicle previously registered in the Commonwealth as provided by KRS 186A.035,

1 the owner of the vehicle shall be notified by mail on the same notice required by  
2 KRS 134.805~~(4)~~~~(5)~~ of the date of expiration. In addition, the department shall  
3 provide appropriate forms and information to permit renewal of motor vehicle  
4 registration to be completed by mail. Any registration renewal by mail shall require  
5 payment of an additional two dollar (\$2) fee which shall be received by the county  
6 clerk. Nonreceipt of the notice herein shall not constitute a defense to any  
7 registration related offense.

8 (6) (a) If an individual has been serving in the United States military stationed or  
9 assigned to a base or other location outside the boundaries of the United  
10 States, he or she shall renew the registration on the vehicle within thirty (30)  
11 days of his or her return if:

- 12 1. The motor vehicle has been stored on a military base during the time of  
13 deployment and has not been operated on the public highways during  
14 that time; and
- 15 2. The vehicle's registration expired during the individual's absence.

16 (b) An individual who meets the criteria in paragraph (a) of this subsection shall  
17 not be convicted or cited for driving a vehicle with expired registration within  
18 thirty (30) days after the individual's return to the Commonwealth if the  
19 individual can provide proof of meeting the eligibility criteria under paragraph  
20 (a) of this subsection.

21 (c) When an individual presents evidence of meeting the criteria under paragraph  
22 (a) of this subsection when applying to renew the registration on the motor  
23 vehicle, the county clerk shall, when applicable, treat the registration as a  
24 prorated renewal under KRS 186.051, and charge the individual a registration  
25 fee only for the number of months of the registration year the vehicle will be  
26 used on the public highways.

27 ➔Section 4. KRS 186A.035 is amended to read as follows:

- 1 (1) All motor vehicles, including motorcycles, with a gross vehicular weight of six  
2 thousand (6,000) pounds or less, first registered, or for which the registration is  
3 renewed in this state on or after January 1, 1983, shall be placed in a system of year-  
4 round registration based upon the birth month of the owner, in order to distribute  
5 the work of registering motor vehicles as uniformly as practicable throughout the  
6 twelve (12) months of the year.
- 7 (2) If the owner of a motor vehicle is other than an individual, the month in which the  
8 owning entity came into being shall be used for purposes of this section. If a motor  
9 vehicle is jointly owned, the owners shall indicate to the county clerk the birth  
10 month of one (1) of them to be used for purposes of this section. In addition, if a  
11 motor vehicle is jointly owned by a husband and wife, the ownership shall exist as a  
12 joint tenancy with right of survivorship, unless the registration expressly states to  
13 the contrary and gives an alternative specific status. Upon the death of one (1) of the  
14 spouses, the jointly-owned vehicle shall transfer to the surviving spouse free from  
15 payment of any state-required transferral fees.
- 16 (3) The certificate of registration and license plate issued for a motor vehicle first  
17 registered, renewed, or titled in this state on or after January 1, 1983, shall be valid,  
18 unless revoked in accordance with KRS 186A.040 or canceled by the cabinet in  
19 accordance with KRS Chapter 186 or this chapter, upon payment of the required  
20 fee, for a period beginning on the first day of the month of the year in which  
21 registration is applied for, and expiring on the last day of the next birth month of the  
22 owner following the month during which registration is applied for. Upon the  
23 owner's request, and after payment of the proper prorated fee, an owner may obtain  
24 a certificate of registration and license plate valid through the last day of his second  
25 birth month following the month and year in which he applied for a certificate of  
26 registration. Any transaction relating to registration or registration renewal which  
27 would cause an unexpired Kentucky motor vehicle license plate to be surrendered

1 shall have that unexpired fee prorated or credited against any additional fee required  
2 by a subsequent registration.

3 (4) After a motor vehicle has been initially placed in the system of year-round  
4 registration, the owner shall renew the registration annually during the owner's birth  
5 month, by making application to the county clerk and paying the fee required for  
6 twelve (12) consecutive months of registration, which shall take effect on the first  
7 day of the month succeeding the owner's birth month and shall expire on the last  
8 day of the owner's next birth month. The county clerk shall be entitled to a  
9 registration fee of two dollars (\$2) for each registration, or if the registration  
10 exceeds a twelve (12) month period, the clerk shall receive a fee of three dollars  
11 (\$3).

12 (5) At least forty-five (45) days prior to the expiration of the registration of any motor  
13 vehicle previously registered in the Commonwealth as provided by subsection (1) of  
14 this section, the owner of the vehicle shall be notified by mail on the same notice  
15 required by KRS 134.805~~(4)~~~~(5)~~ of the date of expiration. Nonreceipt of the notice  
16 required by this subsection shall not constitute a defense to any registration-related  
17 offense.

18 (6) Any owner who fails to renew the registration of a motor vehicle during the month  
19 in which the previous registration expired shall, if he applies for renewal of the  
20 registration in some later month, pay the same fees that would have been required if  
21 the registration had been renewed in the month which the previous registration  
22 expired.

23 (7) Fees which must be prorated in carrying out the intent of this section shall be  
24 prorated on the basis of twelfths of the annual registration fee. Any vehicle which is  
25 registered at any time during a month shall pay the fee required for that whole  
26 month plus any additional months of registration purchased consistent with the  
27 intent of the section.

1 (8) The county clerk shall ensure that the certificate of registration issued to an owner  
2 displays the month and year in which the registration period begins and the month  
3 and year of its expiration, and shall issue to the owner a decal or decals  
4 corresponding to the month and year of expiration shown in the certificate of  
5 registration which shall be placed upon the corresponding license plate by the owner  
6 in the manner required by administrative regulations of the Department of Vehicle  
7 Regulation.

8 ➔Section 5. KRS 235.066 is amended to read as follows:

9 At least thirty (30) days prior to the expiration of registration of any motorboat previously  
10 registered in the Commonwealth as provided by KRS 235.070, the owner of the  
11 motorboat shall be notified by mail on the same notice required by KRS 134.805~~(4)~~~~(5)~~  
12 of the date of expiration. In addition, the Transportation Cabinet shall provide appropriate  
13 forms and information to permit renewal of motorboat registration to be completed by  
14 mail. Any registration renewal by mail shall require payment of an additional two dollars  
15 (\$2) fee which shall be received by the county clerk. Nonreceipt of the notice herein shall  
16 not constitute a defense to any registration related offense.

17 ➔Section 6. Section 1 of this Act applies to motor vehicles assessed on or after  
18 January 1, 2022. Refunds of the overpayment of motor vehicle property taxes due to the  
19 retroactive application of this Act shall be granted under KRS 134.590.

20 ➔Section 7. Whereas the taxation of motor vehicles affects citizens throughout  
21 the Commonwealth, an emergency is declared to exist, and this Act takes effect upon its  
22 passage and approval by the Governor or upon its otherwise becoming a law.