

1 AN ACT relating to the property tax quarterly installment payment program.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 134 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) Beginning January 1, 2025, real property taxes collected by a sheriff may be*
6 *prepaid in quarterly installments as provided in this section.*

7 *(2) Each sheriff shall create and administer a quarterly installment payment*
8 *program for real property taxes. The program shall establish accounts for each*
9 *separate parcel of property owned by a taxpayer for the purpose of tracking and*
10 *monitoring quarterly installment payments and ensure that the payments are*
11 *accurately applied.*

12 *(3) (a) The sheriff is responsible for ensuring that the four (4) quarterly*
13 *installments total to an amount that allows the taxpayer to pay his or her*
14 *property taxes for that parcel of property along with the administration fee*
15 *as provided in subsection (6) of this section in full on or before the due date*
16 *established by Section 2 of this Act.*

17 *(b) Any overpayment as of the due date established by Section 2 of this Act*
18 *shall be automatically applied to the taxpayer's property taxes for the*
19 *immediately following assessment year or refunded to the taxpayer upon*
20 *request.*

21 *(c) To initially determine the amount of the quarterly installments for each*
22 *parcel of property, the sheriff shall add the administrative fee established by*
23 *subsection (6) of this section to the total taxes assessed on the property for*
24 *the immediately preceding assessment year and then divide the sum by four*
25 *(4).*

26 *(d) When new or updated information that impacts the taxpayer's property*
27 *taxes is received by the sheriff, adjustments shall be made to the quarterly*

- 1 installments within thirty (30) days of receiving the information.
- 2 **(4) (a) Before January 31, 2025, the sheriff shall send every taxpayer within their**
- 3 jurisdiction a notification that provides information about the quarterly
- 4 installment payment program and the requirements for participation.
- 5 **(b) The sheriff shall post information about the quarterly installment payment**
- 6 program on its Web site, or the county's Web site if the sheriff does not
- 7 maintain a Web site that is accessible to the general public.
- 8 **(5) (a) To provide taxpayers who participate in the quarterly installment payment**
- 9 program information about their property taxes, the sheriff shall:
- 10 **1. Provide taxpayer's property tax information through an online system**
- 11 that can be accessed by the taxpayer; or
- 12 **2. Send, at a minimum, quarterly notifications to the taxpayer that detail**
- 13 the taxpayer's property tax information.
- 14 **(b) Information provided by the online system and the notifications required by**
- 15 paragraph (a) of this subsection shall include, at a minimum:
- 16 **1. The taxpayer's:**
- 17 **a. Estimated property taxes for the assessment year;**
- 18 **b. Estimated amount of the administration fee established by**
- 19 subsection (6) of this section for the assessment year;
- 20 **c. Amount due for each quarterly installment in the assessment**
- 21 year;
- 22 **d. Due date for each quarterly installment in the assessment year;**
- 23 **e. Total property taxes paid to-date for the assessment year; and**
- 24 **f. Outstanding property tax balance for the assessment year;**
- 25 **2. Details of all adjustments made to the quarterly installments;**
- 26 **3. An explanation that a quarterly installment may increase or decrease**
- 27 in order to reflect the actual assessed value of the property and the tax

- 1 rates for the assessment year; and
- 2 4. An explanation of the duties of the taxpayer under the quarterly
- 3 installment payment program.
- 4 (6) The sheriff may charge an administrative fee for each quarterly installment
- 5 payment collected on a parcel of property. The fee shall:
- 6 (a) Be paid by each taxpayer that participates in the quarterly installment
- 7 payment program;
- 8 (b) Be separately stated and clearly identified as an administration fee in the
- 9 taxpayer's quarterly installment; and
- 10 (c) Not exceed three percent (3%) of the total taxes assessed on each quarterly
- 11 installment.
- 12 (7) (a) The two percent (2%) discount for the early payment of property taxes as
- 13 provided by subsections (2) and (3) of Section 2 of this Act shall not apply to
- 14 taxes paid under a quarterly installment payment program.
- 15 (b) Penalties and interest shall not be assessed by a sheriff for late payments
- 16 received under a quarterly installment payment program. Penalties, interest,
- 17 and collection processes shall apply to property taxes which become
- 18 delinquent after the due date established by Section 2 of this Act.
- 19 (8) The department shall, through the promulgation of administrative regulations in
- 20 accordance with KRS Chapter 13A, establish guidelines, conditions, and
- 21 standards for the quarterly installment payment program to ensure uniformity in
- 22 the administration and to provide additional information on:
- 23 (a) Forms associated with the quarterly installment payment program;
- 24 (b) Conditions under which a taxpayer may be rejected from the program;
- 25 (c) Processes on collection, distribution, handling, and refunding of the taxes
- 26 collected under the program; and
- 27 (d) Any other information that the department deems necessary for the

1 administration of the program.

2 (9) A sheriff who does not comply with this section and any administrative
3 regulations promulgated for quarterly installment payment programs shall be
4 subject to penalties in KRS 134.990.

5 (10) On or before January 1, 2025, independent school districts and cities who appoint
6 a tax collector other than the sheriff to collect real property taxes shall establish
7 and administer a quarterly installment payment program in a manner similar to
8 the program established in this section.

9 ➔Section 2. KRS 134.015 is amended to read as follows:

10 (1) All property taxes are due and payable on or before December 31 of the assessment
11 year except as otherwise provided by law. Payment shall be made to the sheriff as
12 provided in KRS 134.119 unless otherwise provided by law.

13 (2) (a) Any taxpayer, except a taxpayer paying under a quarterly installment
14 payment program established by Section 1 of this Act, who pays the property
15 taxes in full by November 1 of the assessment year shall receive a two percent
16 (2%) discount on the amount otherwise due.

17 (b) Taxes paid in full between November 2 and December 31 of the assessment
18 year shall be paid at the amount reflected on the tax bill without discount or
19 penalty.

20 (c) Taxes paid in full between January 1 and January 31 of the year following the
21 assessment year shall be subject to a penalty of five percent (5%) of the taxes
22 due and unpaid.

23 (d) Taxes paid after January 31 of the year following the assessment year shall be
24 subject to a penalty of ten percent (10%) of the taxes due and unpaid.

25 (3) If the regular collection schedule established by subsections (1) and (2) of this
26 section is delayed, the department may establish an alternative collection schedule.
27 Taxes shall be due two (2) full months from the date the tax bills are mailed. The

- 1 alternative collection schedule shall allow a two percent (2%) discount for all tax
2 bills paid in full within one (1) full month of the date the tax bills were mailed
3 except for the taxes paid under a quarterly installment payment program
4 established by Section 1 of this Act. Upon expiration of the discount period, the
5 face amount reflected on the tax bill without discount or penalty shall be due for the
6 next full month. Payments made within one (1) month following the face amount
7 period shall be subject to a penalty of five percent (5%) of the taxes due and unpaid.
8 Payments made after the five percent (5%) penalty period shall be subject to a
9 penalty of ten percent (10%) of the taxes due and unpaid.
- 10 (4) All taxes due under this section and all fees, penalties, and interest thereon are a
11 personal debt of the taxpayer on the assessment date, from the time the tax becomes
12 due until paid.
- 13 (5) The lien that attaches to property on which taxes have become delinquent under
14 KRS 134.420 shall continue as provided in KRS 134.420, from the time the taxes
15 become delinquent until the taxes are paid or the eleven (11) year period established
16 by KRS 134.420 expires, regardless of who owns the property.
- 17 (6) A tax bill issued against omitted property, or an increase in valuation over that
18 claimed by the taxpayer, as finally determined upon appeal as provided for in KRS
19 133.120, shall be due the day the bill is prepared and shall be considered delinquent
20 on that date. If the tax bill is not paid within one (1) full month of the due date, an
21 additional penalty of ten percent (10%) of the tax, fees, penalties, and interest due
22 shall be added to the tax bill. The laws relating to delinquent taxes on the same class
23 of property or taxpayers involved shall apply to delinquent omitted tax bills unless
24 otherwise provided by law.