

1 AN ACT relating to 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 ***paragraphs (b) and (c)***~~[paragraph (b)]~~ of this
6 subsection, the registration of a motor vehicle with a county clerk in order to
7 operate it 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 the
9 property valuation administrator from a standard manual prescribed by the
10 department 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; ***or***
- 15 ***3. The value for the motor vehicle in the standard manual exceeds five***
- 16 ***percent (5%) of the immediately preceding year's value in the standard***
- 17 ***manual, in which case paragraph (c) of this subsection applies***
- 18 ***regarding its valuation.***

19 The standard value of motor vehicles shall be the average trade-in value
20 prescribed by the valuation manual unless information is available that
21 warrants any deviation from the standard value.

- 22 (b) In the case of motor vehicles that are twenty (20) years old or older:
- 23 1. It shall not be presumed that a vehicle has been maintained in, or
- 24 restored to, the original factory or otherwise classic condition or that its
- 25 value has increased over the previous year;
- 26 2. In assessing motor vehicles under this paragraph and calculating the
- 27 taxes due thereon, through the AVIS or otherwise, if the registrant does

1 not appear before the property valuation administrator to assess the
2 vehicle, the standard value shall be as follows:

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

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

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

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

22 **(c) In assessing motor vehicles under this paragraph, through AVIS or**
23 **otherwise, if the value provided by the standard valuation manual exceeds**
24 **five percent (5%) of the immediately preceding year's value in the standard**
25 **manual, the property valuation administrator shall:**

26 **1. Assess the motor vehicle at a value that does not exceed five percent**
27 **(5%) of the actual assessed valuation of the vehicle in the immediately**

1 preceding year, if the vehicle was assessed for taxation in the
2 Commonwealth in the immediately preceding year; or
3 2. Conduct an assessment of the vehicle to determine the value, if the
4 vehicle was not assessed for taxation in the Commonwealth in the
5 immediately preceding year. The assessment under this subparagraph
6 may be done in person if the vehicle's owner presents the vehicle at the
7 property valuation administrator's office or through a review of
8 photographs and other documentary evidence.

9 (2) The registration of a recreational vehicle with the county clerk in order to operate it
10 or permit it to be operated upon the highways shall be deemed consent by the
11 registrant thereof for the recreational vehicle to be assessed by the property
12 valuation administrator at a valuation determined from a standard manual
13 prescribed by the department for valuing recreational vehicles for assessment unless
14 the registrant appears in person before the property valuation administrator to assess
15 the vehicle.

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

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

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

1 ➔Section 2. This Act applies to motor vehicles assessed on or after January 1,
2 2022.

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