

1 AN ACT relating to ad valorem taxes.

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

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

5 *Except as provided in subsection (1)(d) of Section 2 of this Act, the following classes of*  
6 *personal property shall be exempt from state and local ad valorem taxation, including*  
7 *in the county, city, school, or other taxing district in which it has a taxable situs:*

8 *(1) Motor vehicles registered under KRS Chapter 186;*

9 *(2) Recreational vehicles registered under KRS 186.675; and*

10 *(3) Trailers and semitrailers as defined in KRS 186.650 which are registered under*  
11 *KRS 186.675.*

12 ➔Section 2. KRS 132.020 is amended to read as follows:

13 (1) The owner or person assessed shall pay an annual ad valorem tax for state purposes  
14 at the rate of:

15 (a) Thirty-one and one-half cents (\$0.315) upon each one hundred dollars (\$100)  
16 of value of all real property directed to be assessed for taxation;

17 (b) ~~Twenty five cents (\$0.25) upon each one hundred dollars (\$100) of value of~~  
18 ~~all motor vehicles qualifying for permanent registration as historic motor~~  
19 ~~vehicles under KRS 186.043;~~

20 (c) Fifteen cents (\$0.15) upon each one hundred dollars (\$100) of value of all:

21 1. Machinery actually engaged in manufacturing;

22 2. Commercial radio and television equipment used to receive, capture,  
23 produce, edit, enhance, modify, process, store, convey, or transmit audio  
24 or video content or electronic signals which are broadcast over the air to  
25 an antenna, including radio and television towers used to transmit or  
26 facilitate the transmission of the signal broadcast and equipment used to  
27 gather or transmit weather information, but excluding telephone and

1 cellular communication towers; and

2 3. Tangible personal property which has been certified as a pollution  
3 control facility as defined in KRS 224.1-300. In the case of tangible  
4 personal property certified as a pollution control facility which is  
5 incorporated into a landfill facility, the tangible personal property shall  
6 be presumed to remain tangible personal property for purposes of this  
7 paragraph if the tangible personal property is being used for its intended  
8 purposes;

9 ~~(c)~~~~(d)~~ Ten cents (\$0.10) upon each one hundred dollars (\$100) of value on the  
10 operating property of railroads or railway companies that operate solely  
11 within the Commonwealth;

12 ~~(d)~~~~(e)~~ Five cents (\$0.05) upon each one hundred dollars (\$100) of value of  
13 goods held for sale in the regular course of business, which includes:

14 1. Machinery and equipment held in a retailer's inventory for sale or lease  
15 originating under a floor plan financing arrangement;

16 2. Motor vehicles:

17 a. Held for sale in the inventory of a licensed motor vehicle dealer,  
18 including licensed motor vehicle auction dealers, which are not  
19 currently titled and registered in Kentucky and are held on an  
20 assignment pursuant to KRS 186A.230; or

21 b. That are in the possession of a licensed motor vehicle dealer,  
22 including licensed motor vehicle auction dealers, for sale, although  
23 ownership has not been transferred to the dealer;

24 3. Raw materials, which includes distilled spirits and distilled spirits  
25 inventory;

26 4. In-process materials, which includes distilled spirits and distilled spirits  
27 inventory, held for incorporation in finished goods held for sale in the

- 1                   regular course of business; and
- 2           5.   Qualified heavy equipment;
- 3           ~~(e)~~~~(f)~~   One and one-half cents (\$0.015) upon each one hundred dollars (\$100)
- 4           of value of all:
- 5           1.   Privately owned leasehold interests in industrial buildings, as defined
- 6                   under KRS 103.200, owned and financed by a tax-exempt governmental
- 7                   unit, or tax-exempt statutory authority under the provisions of KRS
- 8                   Chapter 103, upon the prior approval of the Kentucky Economic
- 9                   Development Finance Authority, except that the rate shall not apply to
- 10                  the proportion of value of the leasehold interest created through any
- 11                  private financing;
- 12           2.   Qualifying voluntary environmental remediation property, provided the
- 13                  property owner has corrected the effect of all known releases of
- 14                  hazardous substances, pollutants, contaminants, petroleum, or petroleum
- 15                  products located on the property consistent with a corrective action plan
- 16                  approved by the Energy and Environment Cabinet pursuant to KRS
- 17                  224.1-400, 224.1-405, or 224.60-135, and provided the cleanup was not
- 18                  financed through a public grant or the petroleum storage tank
- 19                  environmental assurance fund. This rate shall apply for a period of three
- 20                  (3) years following the Energy and Environment Cabinet's issuance of a
- 21                  No Further Action Letter or its equivalent, after which the regular tax
- 22                  rate shall apply;
- 23           3.   Tobacco directed to be assessed for taxation;
- 24           4.   Unmanufactured agricultural products;
- 25           5.   Aircraft not used in the business of transporting persons or property for
- 26                  compensation or hire;
- 27           6.   Federally documented vessels not used in the business of transporting

1 persons or property for compensation or hire, or for other commercial  
2 purposes; and

3 7. Privately owned leasehold interests in residential property described in  
4 KRS 132.195(2)(g);

5 ~~(f)(g)~~ One-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of  
6 value of all:

7 1. Farm implements and farm machinery owned by or leased to a person  
8 actually engaged in farming and used in his farm operations;

9 2. Livestock and domestic fowl;

10 3. Tangible personal property located in a foreign trade zone established  
11 pursuant to 19 U.S.C. sec. 81, provided that the zone is activated in  
12 accordance with the regulations of the United States Customs Service  
13 and the Foreign Trade Zones Board; and

14 4. Property which has been certified as an alcohol production facility as  
15 defined in KRS 247.910, or as a fluidized bed energy production facility  
16 as defined in KRS 211.390; and

17 ~~(g)(h)~~ Forty-five cents (\$0.45) upon each one hundred dollars (\$100) of value  
18 of all other property directed to be assessed for taxation shall be paid by the  
19 owner or person assessed, except as provided in KRS 132.030, 132.200,  
20 136.300, and 136.320, providing a different tax rate for particular property.

21 (2) Notwithstanding subsection (1)(a) of this section, the state tax rate on real property  
22 shall be reduced to compensate for any increase in the aggregate assessed value of  
23 real property to the extent that the increase exceeds the preceding year's assessment  
24 by more than four percent (4%), excluding:

25 (a) The assessment of new property as defined in KRS 132.010(8);

26 (b) The assessment from property which is subject to tax increment financing  
27 pursuant to KRS Chapter 65; and

- 1 (c) The assessment from leasehold property which is owned and financed by a  
2 tax-exempt governmental unit, or tax-exempt statutory authority under the  
3 provisions of KRS Chapter 103 and entitled to the reduced rate of one and  
4 one-half cents (\$0.015) pursuant to subsection (1)(~~e~~)(~~f~~) of this section. In  
5 any year in which the aggregate assessed value of real property is less than the  
6 preceding year, the state rate shall be increased to the extent necessary to  
7 produce the approximate amount of revenue that was produced in the  
8 preceding year from real property.
- 9 (3) By July 1 each year, the department shall compute the state tax rate applicable to  
10 real property for the current year in accordance with the provisions of subsection  
11 (2) of this section and certify the rate to the county clerks for their use in preparing  
12 the tax bills. If the assessments for all counties have not been certified by July 1, the  
13 department shall, when either real property assessments of at least seventy-five  
14 percent (75%) of the total number of counties of the Commonwealth have been  
15 determined to be acceptable by the department, or when the number of counties  
16 having at least seventy-five percent (75%) of the total real property assessment for  
17 the previous year have been determined to be acceptable by the department, make  
18 an estimate of the real property assessments of the uncertified counties and compute  
19 the state tax rate.
- 20 (4) If the tax rate set by the department as provided in subsection (2) of this section  
21 produces more than a four percent (4%) increase in real property tax revenues,  
22 excluding:
- 23 (a) The revenue resulting from new property as defined in KRS 132.010(8);
  - 24 (b) The revenue from property which is subject to tax increment financing  
25 pursuant to KRS Chapter 65; and
  - 26 (c) The revenue from leasehold property which is owned and financed by a tax-  
27 exempt governmental unit, or tax-exempt statutory authority under the

1 provisions of KRS Chapter 103 and entitled to the reduced rate of one and  
2 one-half cents (\$0.015) pursuant to subsection (1) of this section;

3 the rate shall be adjusted in the succeeding year so that the cumulative total of each  
4 year's property tax revenue increase shall not exceed four percent (4%) per year.

5 (5) The provisions of subsection (2) of this section notwithstanding, the assessed value  
6 of unmined coal certified by the department after July 1, 1994, shall not be included  
7 with the assessed value of other real property in determining the state real property  
8 tax rate. All omitted unmined coal assessments made after July 1, 1994, shall also  
9 be excluded from the provisions of subsection (2) of this section. The calculated  
10 rate shall, however, be applied to unmined coal property, and the state revenue shall  
11 be devoted to the program described in KRS 146.550 to 146.570, except that four  
12 hundred thousand dollars (\$400,000) of the state revenue shall be paid annually to  
13 the State Treasury and credited to the Office of Energy Policy for the purpose of  
14 public education of coal-related issues.

15 ➔Section 3. KRS 132.200 is amended to read as follows:

16 All property subject to taxation for state purposes shall also be subject to taxation in the  
17 county, city, school, or other taxing district in which it has a taxable situs, except the  
18 class of property described in KRS 132.030 and the following classes of property, which  
19 shall be subject to taxation for state purposes only:

20 (1) Farm implements and farm machinery owned by or leased to a person actually  
21 engaged in farming and used in his farm operation;

22 (2) Livestock, ratite birds, and domestic fowl;

23 (3) Capital stock of savings and loan associations;

24 (4) Machinery actually engaged in manufacturing, products in the course of  
25 manufacture, and raw material actually on hand at the plant for the purpose of  
26 manufacture. The printing, publication, and distribution of a newspaper or operating  
27 a job printing plant shall be deemed to be manufacturing;

- 1 (5) (a) Commercial radio and television equipment used to receive, capture, produce,  
2 edit, enhance, modify, process, store, convey, or transmit audio or video  
3 content or electronic signals which are broadcast over the air to an antenna;
- 4 (b) Equipment directly used or associated with the equipment identified in  
5 paragraph (a) of this subsection, including radio and television towers used to  
6 transmit or facilitate the transmission of the signal broadcast, but excluding  
7 telephone and cellular communications towers; and
- 8 (c) Equipment used to gather or transmit weather information;
- 9 (6) Unmanufactured agricultural products. They shall be exempt from taxation for state  
10 purposes to the extent of the value, or amount, of any unpaid nonrecourse loans  
11 thereon granted by the United States government or any agency thereof, and except  
12 that cities and counties may each impose an ad valorem tax of not exceeding one  
13 and one-half cents (\$0.015) on each one hundred dollars (\$100) of the fair cash  
14 value of all unmanufactured tobacco and not exceeding four and one-half cents  
15 (\$0.045) on each one hundred dollars (\$100) of the fair cash value of all other  
16 unmanufactured agricultural products, subject to taxation within their limits that are  
17 not actually on hand at the plants of manufacturing concerns for the purpose of  
18 manufacture, nor in the hands of the producer or any agent of the producer to whom  
19 the products have been conveyed or assigned for the purpose of sale;
- 20 (7) All privately owned leasehold interest in industrial buildings, as defined under KRS  
21 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt  
22 statutory authority under the provisions of KRS Chapter 103, except that the rate  
23 shall not apply to the proportion of value of the leasehold interest created through  
24 any private financing;
- 25 (8) Tangible personal property which has been certified as a pollution control facility as  
26 defined in KRS 224.1-300. In the case of tangible personal property certified as a  
27 pollution control facility which is incorporated into a landfill facility, the tangible

1 personal property shall be presumed to remain tangible personal property for  
2 purposes of this subsection if the tangible personal property is being used for its  
3 intended purposes;

4 (9) Property which has been certified as an alcohol production facility as defined in  
5 KRS 247.910;

6 (10) On and after January 1, 1977, the assessed value of unmined coal shall be included  
7 in the formula contained in KRS 132.590(9) in determining the amount of county  
8 appropriation to the office of the property valuation administrator;

9 (11) Tangible personal property located in a foreign trade zone established pursuant to  
10 19 U.S.C. sec. 81, provided that the zone is activated in accordance with the  
11 regulations of the United States Customs Service and the Foreign Trade Zones  
12 Board;

13 ~~(12) Motor vehicles qualifying for permanent registration as historic motor vehicles~~  
14 ~~under the provisions of KRS 186.043. However, nothing herein shall be construed~~  
15 ~~to exempt historical motor vehicles from the usage tax imposed by KRS 138.460;~~

16 ~~(13)~~ Property which has been certified as a fluidized bed energy production facility as  
17 defined in KRS 211.390;

18 (13)~~(14)~~ All motor vehicles:

19 (a) Held for sale in the inventory of a licensed motor vehicle dealer, including  
20 motor vehicle auction dealers, which are not currently titled and registered in  
21 Kentucky and are held on an assignment pursuant to the provisions of KRS  
22 186A.230;

23 (b) That are in the possession of a licensed motor vehicle dealer, including  
24 licensed motor vehicle auction dealers, for sale, although ownership has not  
25 been transferred to the dealer; and

26 (c) With a salvage title held by an insurance company;

27 (14)~~(15)~~ Machinery or equipment owned by a business, industry, or organization in



1 order to collect, source separate, compress, bale, shred, or otherwise handle waste  
2 materials if the machinery or equipment is primarily used for recycling purposes as  
3 defined in KRS 139.010;

4 ~~(15)~~~~(16)~~ New farm machinery and other equipment held in the retailer's inventory for  
5 sale under a floor plan financing arrangement by a retailer, as defined under KRS  
6 365.800;

7 ~~(16)~~~~(17)~~ New boats and new marine equipment held for retail sale under a floor plan  
8 financing arrangement by a dealer registered under KRS 235.220;

9 ~~(17)~~~~(18)~~ Aircraft not used in the business of transporting persons or property for  
10 compensation or hire if an exemption is approved by the county, city, school, or  
11 other taxing district in which the aircraft has its taxable situs;

12 ~~(18)~~~~(19)~~ Federally documented vessels not used in the business of transporting persons  
13 or property for compensation or hire or for other commercial purposes, if an  
14 exemption is approved by the county, city, school, or other taxing district in which  
15 the federally documented vessel has its taxable situs;

16 ~~(19)~~~~(20)~~ Any nonferrous metal that conforms to the quality, shape, and weight  
17 specifications set by the New York Mercantile Exchange's special contract rules for  
18 metals, and which is located or stored in a commodity warehouse and held on  
19 warrant, or for which a written request has been made to a commodity warehouse to  
20 place it on warrant, according to the rules and regulations of a trading facility. In  
21 this subsection:

22 (a) "Commodity warehouse" means a warehouse, shipping plant, depository, or  
23 other facility that has been designated or approved by a trading facility as a  
24 regular delivery point for a commodity on contracts of sale for future delivery;  
25 and

26 (b) "Trading facility" means a facility that is designated by or registered with the  
27 federal Commodity Futures Trading Commission under 7 U.S.C. secs. 1 et

1 seq. "Trading facility" includes the Board of Trade of the City of Chicago, the  
2 Chicago Mercantile Exchange, and the New York Mercantile Exchange;

3 ~~(20)~~~~(21)~~ Qualifying voluntary environmental remediation property for a period of three  
4 (3) years following the Energy and Environment Cabinet's issuance of a No Further  
5 Action Letter or its equivalent, pursuant to the correction of the effect of all known  
6 releases of hazardous substances, pollutants, contaminants, petroleum, or petroleum  
7 products located on the property consistent with a corrective action plan approved  
8 by the Energy and Environment Cabinet pursuant to KRS 224.1-400, 224.1-405, or  
9 224.60-135, and provided the cleanup was not financed through a public grant  
10 program of the petroleum storage tank environmental assurance fund;

11 ~~(21)~~~~(22)~~ Biotechnology products held in a warehouse for distribution by the  
12 manufacturer or by an affiliate of the manufacturer. For the purposes of this section:

13 (a) "Biotechnology products" means those products that are applicable to the  
14 prevention, treatment, or cure of a disease or condition of human beings and  
15 that are produced using living organisms, materials derived from living  
16 organisms, or cellular, subcellular, or molecular components of living  
17 organisms. Biotechnology products does not include pharmaceutical products  
18 which are produced from chemical compounds;

19 (b) "Warehouse" includes any establishment that is designed to house or store  
20 biotechnology products, but does not include blood banks, plasma centers, or  
21 other similar establishments;

22 (c) "Affiliate" means an individual, partnership, or corporation that directly or  
23 indirectly owns or controls, or is owned or controlled by, or is under common  
24 ownership or control with, another individual, partnership, or corporation;

25 ~~(22)~~~~(23)~~ Recreational vehicles held for sale in a retailer's inventory;

26 ~~(23)~~~~(24)~~ A privately owned leasehold interest in residential property described in KRS  
27 132.195(2)(g), if an exemption is approved by the county, city, school, or other

1 taxing district in which the residential property is located; and  
 2 ~~(24)~~~~(25)~~ Prefabricated homes held for sale in a manufacturer's or retailer's inventory.

3 →Section 4. KRS 132.260 is amended to read as follows:

4 Every person providing rental space for the parking of mobile homes ~~and recreational~~  
 5 ~~vehicles~~ shall, by February 1 of each year, report the name of the owner and type and  
 6 size of all mobile homes ~~and recreational vehicles not registered in this state under KRS~~  
 7 ~~186.655~~ on ~~the~~~~his~~ premises on the prior January 1 to the property valuation  
 8 administrator of the county in which the property is located. The report shall be made in  
 9 accordance with forms prescribed by the Department of Revenue and shall be signed and  
 10 verified by the chief officer or person in charge of the business. The property valuation  
 11 administrator may make a personal inspection and investigation of the premises on which  
 12 mobile homes ~~and recreational vehicles~~ are located, for the purpose of ***identification***  
 13 ***and assessment***~~identifying and assessing such property~~. ~~A~~~~No~~ person in charge of  
 14 ~~such~~ premises ***under this section*** shall ***not*** refuse to permit the inspection and  
 15 investigation.

16 →Section 5. KRS 132.285 is amended to read as follows:

- 17 (1) (a) ~~Except as provided in subsection (3) of this section,~~ Any city may by  
 18 ordinance elect to use the annual county assessment for property situated  
 19 within the city as a basis of ad valorem tax levies ordered or approved by the  
 20 legislative body of the city.
- 21 (b) Any city making the election provided in paragraph (a) of this subsection shall  
 22 notify the department and property valuation administrator prior to the next  
 23 succeeding assessment to be used for city levies. In such event the assessment  
 24 finally determined for county tax purposes shall serve as a basis of all city  
 25 levies for the fiscal year commencing on or after the county assessment date.
- 26 (c) Each city which elects to use the county assessment shall annually appropriate  
 27 and pay each fiscal year to the office of the property valuation administrator

1 for deputy and other authorized personnel allowance, supplies, maps and  
2 equipment, and other authorized expenses of the office one-half of one cent  
3 (\$0.005) for each one hundred dollars (\$100) of assessment, except that sums  
4 paid shall not be:

- 5 1. Less than two hundred fifty dollars (\$250); or
- 6 2. More than:
  - 7 a. Forty thousand dollars (\$40,000) in a city having an assessment  
8 subject to city tax of less than two billion dollars  
9 (\$2,000,000,000);
  - 10 b. Fifty thousand dollars (\$50,000) in a city having an assessment  
11 subject to city tax of two billion dollars (\$2,000,000,000) or more,  
12 but less than three billion dollars (\$3,000,000,000);
  - 13 c. Sixty thousand dollars (\$60,000) in a city having an assessment  
14 subject to city tax of three billion dollars (\$3,000,000,000) but less  
15 than six billion dollars (\$6,000,000,000); or
  - 16 d. One hundred thousand dollars (\$100,000) in a city having an  
17 assessment subject to city tax of six billion dollars  
18 (\$6,000,000,000) or more.

- 19 (d) This allowance shall be based on the assessment as of the previous January 1.
- 20 (e) Each property valuation administrator shall file a claim with the city for the  
21 county assessment, which shall include the recapitulation submitted to the city  
22 pursuant to KRS 133.040(2).
- 23 (f) The city shall order payment in an amount not to exceed the appropriation  
24 authorized by this section.
- 25 (g) The property valuation administrator shall be required to account for all  
26 moneys paid to his or her office by the city and any funds unexpended by the  
27 close of each fiscal year shall carry over to the next fiscal year.

- 1 (h) Notwithstanding any statutory provisions to the contrary, the assessment dates  
2 for the city shall conform to the corresponding dates for the county, and the  
3 city may by ordinance establish additional financial and tax procedures that  
4 will enable it effectively to adopt the county assessment.
- 5 (i) The legislative body of any city adopting the county assessment may fix the  
6 time for levying the city tax rate, due and delinquency dates for taxes, and any  
7 other dates that will enable it effectively to adopt the county assessment,  
8 notwithstanding any statutory provisions to the contrary.
- 9 (j) Any such city may, by ordinance, abolish any office connected with city  
10 assessment and equalization.
- 11 (k) Any city which elects to use the county assessment shall have access to the  
12 assessment records as soon as completed and may obtain a copy of that  
13 portion of the records which represents the assessment of property within the  
14 city by additional payment of the cost thereof.
- 15 (l) Once any city elects to use the county assessment, that action cannot be  
16 revoked without notice to the department and the property valuation  
17 administrator six (6) months prior to the next date as of which property is  
18 assessed for state and county taxes.
- 19 (2) In the event any omitted property is assessed by the property valuation  
20 administrator as provided by KRS 132.310, the assessment shall be considered as  
21 part of the assessment adopted by the city according to subsection (1) of this  
22 section.
- 23 ~~(3) For purposes of the levy and collection of ad valorem taxes on motor vehicles,~~  
24 ~~cities shall use the assessment required to be made pursuant to KRS 132.487(5).~~
- 25 ~~(4)~~ Notwithstanding the provisions of subsection (1) of this section, each city which  
26 elects to use the county assessment for ad valorem taxes levied for 1996 or  
27 subsequent years, and which used the county assessment for ad valorem taxes

1       levied for 1995, shall appropriate and pay to the office of the property valuation  
2       administrator for the purposes set out in subsection (1) of this section an amount  
3       equal to the amount paid to the office of the property valuation administrator in  
4       1995, or the amount required by the provisions of subsection (1) of this section,  
5       whichever is greater.

6       ➔Section 6. KRS 132.488 is amended to read as follows:

7       (1) (a) The registration of a motorboat with a county clerk in order to operate it or  
8               permit it to be operated upon the waters of the state shall be deemed consent  
9               by the registrant for the motorboat to be assessed by the property valuation  
10              administrator from a standard manual prescribed by the department for  
11              valuing motorboats for assessment unless the registrant appears before the  
12              property valuation administrator to assess the motorboat.

13       (b) The standard value of motorboats shall be the average trade-in value  
14              prescribed by the valuation manual.

15       (c) The property valuation administrator may adjust the value of a motor boat  
16              when the registrant has provided evidence that the standard value does not  
17              reflect the motorboat's condition, options, or certificate of title issued.

18       (2) The department shall develop and administer a centralized ad valorem tax system  
19              for the assessment of all motorboats as defined in KRS 235.010. This system shall  
20              be designed to allow the collection of state, county, city, urban-county  
21              government, school, and special taxing district ad valorem taxes due on each  
22              motorboat at the time of registration by the party charged with issuing the  
23              registration. The department shall supervise and instruct the property valuation  
24              administrators and other officials with respect to their duties in relation to this  
25              system.

26       (3) The compensating tax rate and maximum possible tax rate allowable for  
27              counties, schools, cities, and special taxing districts on property other than

1 motorboats for the 1984 and subsequent tax periods shall be calculated excluding  
 2 all valuations of and tax revenues from motorboats from the base amounts used  
 3 in arriving at these general rates.

4 (4) The property valuation administrator shall, subject to the direction, instruction,  
 5 and supervision of the department, have responsibility for assessing all  
 6 motorboats. The department may provide standard valuation guidelines for use in  
 7 valuation of motorboats.

8 (5) The property valuation administrator shall provide to the department by  
 9 December 1 of each year a recapitulation of motorboats to be assessed as of  
 10 January 1 of the next year.

11 (6) Procedures for protest, appeal, and correction of erroneous assessments shall be  
 12 the same for motorboats as for other properties subject to ad valorem taxes ~~shall~~  
 13 ~~be administered in the same manner and according to the same procedures provided~~  
 14 ~~for motor vehicles in KRS 132.487].~~

15 ~~(7)(2)~~ The Energy and Environment Cabinet shall provide access to all records of  
 16 motorboat registrations as necessary to prepare and maintain a complete tax roll of  
 17 motorboats throughout each year.

18 ➔Section 7. KRS 132.730 is amended to read as follows:

19 All mobile homes ~~and recreational vehicles~~ which are within this state on January 1  
 20 each year shall be subject to all ad valorem tax levies applicable to other property subject  
 21 to full state and local rates, except that any mobile home ~~and recreational vehicle not~~  
 22 ~~licensed in this state and~~ not remaining within this state for a period of more than ninety  
 23 (90) days in any twelve (12) month period shall not have a taxable situs in this state  
 24 unless an occupant is employed in this state.

25 ➔Section 8. KRS 134.805 is amended to read as follows:

26 (1) The county clerk shall be allowed by the Department of Revenue, for collecting  
 27 state ad valorem taxes on motorboats~~motor vehicles~~, a commission of four

1 percent (4%) on state taxes collected.

2 (2) The county clerk shall be allowed by the county treasurer, for collecting county and  
3 special district ad valorem taxes on motorboats~~[motor vehicles]~~, a commission of  
4 four percent (4%) on county and special taxes collected.

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

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

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

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

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

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



1           recovery.]

2           ➔Section 9. KRS 134.810 is amended to read as follows:

3     ~~(1) All state, county, city, urban-county government, school, and special taxing district~~  
4       ~~ad valorem taxes shall be due and payable on or before the earlier of the last day of~~  
5       ~~the month in which registration renewal is required by law for a motor vehicle~~  
6       ~~renewed or the last day of the month in which a vehicle is transferred.~~

7     ~~(2) All state, county, city, urban-county government, school, and special taxing district~~  
8       ~~ad valorem taxes due on motor vehicles shall become delinquent following the~~  
9       ~~earlier of the end of the month in which registration renewal is required by law or~~  
10      ~~the last day of the second calendar month following the month in which a vehicle~~  
11      ~~was transferred.~~

12    ~~(3) Any taxes which are paid within thirty (30) days of becoming delinquent shall be~~  
13      ~~subject to a penalty of three percent (3%) on the taxes due. However, this penalty~~  
14      ~~shall be waived if the tax bill is paid within five (5) days of the tax bill being~~  
15      ~~declared delinquent. Any taxes which are not paid within thirty (30) days of~~  
16      ~~becoming delinquent shall be subject to a penalty of ten percent (10%) on the taxes~~  
17      ~~due. In addition, interest at an annual rate of fifteen percent (15%) shall accrue on~~  
18      ~~said taxes and penalty from the date of delinquency. A penalty or interest shall not~~  
19      ~~accrue on a motor vehicle under dealer assignment pursuant to KRS 186A.220.~~

20    ~~(4) When a motor vehicle has been transferred before registration renewal or before~~  
21      ~~taxes due have been paid, the owner pursuant to KRS 186.010(7)(a) and (c) on~~  
22      ~~January 1 of any year shall be liable for the taxes on the motor vehicle, except as~~  
23      ~~hereinafter provided.~~

24    ~~(5) If an owner obtains a certificate of registration for a motor vehicle valid through the~~  
25      ~~last day of his second birth month following the month and year in which he~~  
26      ~~applied for a certificate of registration, all state, county, city, urban-county~~  
27      ~~government, school, and special tax district ad valorem tax liabilities arising from~~

1       ~~the assessment date following initial registration shall be due and payable on or~~  
 2       ~~before the last day of the first birth month following the assessment date or date of~~  
 3       ~~transfer, whichever is earlier. Any taxes due under the provisions of this subsection~~  
 4       ~~and not paid as set forth above shall be considered delinquent and subject to the~~  
 5       ~~same interest and penalties found in subsection (3) of this section.~~

6       ~~(6)~~ For purposes of the state ad valorem tax only, all motor vehicles:

7       (a) Held for sale by a licensed motor vehicle dealer, including licensed motor  
 8       vehicle auction dealers;

9       (b) That are in the possession of a licensed motor vehicle dealer, including  
 10       licensed motor vehicle auction dealers, for sale, although ownership has not  
 11       been transferred to the dealer; and

12       (c) With a salvage title held by an insurance company;

13       on January 1 of any year ~~shall not be taxed as a motor vehicle pursuant to KRS~~  
 14       ~~132.485 but~~ shall be subject to ad valorem tax as goods held for sale in the regular  
 15       course of business under the provisions of KRS 132.020(1)~~(d)~~~~(e)~~ and 132.220.

16       ~~(2)~~~~(7)~~ Any provision to the contrary notwithstanding, when any ad valorem tax on a  
 17       motor vehicle ***imposed prior to the effective date of this Act*** becomes delinquent,  
 18       the state and each county, city, urban-county government, or other taxing district  
 19       shall have a lien on all motor vehicles owned or acquired by the person who owned  
 20       the motor vehicle at the time the tax liability arose. A lien for delinquent ad valorem  
 21       taxes shall not attach to any motor vehicle transferred while the taxes are due on  
 22       that vehicle. For the purpose of delinquent ad valorem taxes on leased vehicles  
 23       only, a lien on a leased vehicle shall not be attached to another vehicle owned by  
 24       the lessor.

25       ~~(3)~~~~(8)~~ The lien required by subsection ~~(2)~~~~(7)~~ of this section shall be filed and  
 26       released by the automatic entry of appropriate information in the AVIS database.  
 27       For the filing and release of each lien or set of liens arising from motor vehicle ad

1       valorem property tax delinquency, a fee of two dollars (\$2) pursuant to this section  
2       shall be added to the delinquent tax account. The fee shall be collected and retained  
3       by the county clerk who collects the delinquent tax.

4       ~~(4)(9)~~    The implementation of the automated lien system provided in this section  
5       shall not affect the manner in which commercial liens are recorded or released.

6       ➔Section 10.   KRS 186.021 is amended to read as follows:

7       (1)   Except as provided in subsection (2) of this section, a county clerk shall not issue a  
8       replacement plate, decal, or registration certificate as provided in KRS 186.180, or a  
9       registration for renewal to any person who owns~~[on January 1 of any year owned]~~ a  
10      motor vehicle on which state, county, city, urban-county government, school, or  
11      special taxing district ad valorem taxes *imposed prior to the effective date of this*  
12      *Act* are delinquent.

13      (2)   ~~[Pursuant to KRS 134.810(4), the owner as defined in KRS 186.010(7)(a) and (c)~~  
14      ~~on January 1 of any year shall be liable for taxes due on a motor vehicle.]~~ A person  
15      other than the owner of record who applies to a county clerk to transfer the  
16      registration of a motor vehicle may pay any delinquent ad valorem taxes due on the  
17      motor vehicle to facilitate the county clerk's transferring registration of the motor  
18      vehicle. The person applying shall not be required to pay delinquent ad valorem  
19      taxes due on any other motor vehicle owned by the owner of record from which he  
20      is purchasing his motor vehicle as a condition of registration.

21      (3)   A county clerk shall not issue a replacement plate, decal, or registration certificate  
22      as provided in KRS 186.180, or a registration renewal for any motor vehicle that is  
23      not insured in compliance with KRS 304.39-080. Each applicant for registration  
24      renewal shall present proof of compliance to the county clerk in a manner  
25      prescribed in administrative regulations issued by the Department of Insurance. On  
26      and after January 1, 2006, if the motor vehicle is a personal motor vehicle as  
27      defined in KRS 304.39-087, proof of insurance shall be determined by the county

1 clerk as provided in KRS 186A.042.

2 ➔Section 11. KRS 186A.127 (Effective January 1, 2024) is amended to read as  
3 follows:

- 4 (1) The cabinet shall establish procedures whereby an owner or lessee of fleet vehicles  
5 may be issued permanent fleet registration plates for vehicles in its fleet.
- 6 (2) The owner of a fleet of motor vehicles shall, upon application in the manner and at  
7 the time prescribed and upon approval by the department, and payment of ~~ad~~  
8 ~~valorem taxes under KRS Chapter 132, and~~ registration fees under KRS 186.040 or  
9 186.050, be issued permanent fleet license plates. Except for U-Drive-It vehicles  
10 described in subsection (3)(b) of this section, vehicles with a fleet license plate shall  
11 have the company's name or logo and unit number displayed on the vehicle so that  
12 they are readily identifiable.
- 13 (3) (a) Except as provided in paragraph (b) of this subsection, fleet plates, which  
14 shall be of a distinctive color, shall have the word "Fleet" appearing at the  
15 bottom, and the word "Kentucky" appearing at the top. In all other respects,  
16 fleet plates shall conform to the provisions of KRS 186.240.
- 17 (b) U-Drive-It vehicles owned by a motor vehicle renting company as defined by  
18 KRS 281.687 shall be issued regular standard issue license plates. Fleet  
19 vehicles under this paragraph shall be issued a decal by the cabinet to denote  
20 the permanent registration status of the vehicle.
- 21 (4) In addition to the registration fee prescribed by KRS 186.050 for initial and renewal  
22 registrations, an annual fleet management fee of two dollars (\$2) per vehicle shall  
23 be charged. A one-time license plate manufacturing fee of four dollars (\$4) shall be  
24 charged for plates issued for the established number of vehicles in the fleet. All fees  
25 collected under this section shall be deposited into the road fund.
- 26 (5) Payment of ~~ad valorem taxes and~~ registration fees shall be made annually and  
27 shall be evidenced only by the issuance of a single receipt by the cabinet. The

1 provisions of KRS 186.170 requiring a registration receipt to be kept in the vehicle  
2 shall not apply and no annual registration decal shall be required for vehicles  
3 registered in accordance with this section.

4 (6) If a recipient of fleet license plates fails to pay all annual registration fees ~~and ad~~  
5 ~~valorem taxes~~ on vehicles in its fleet properly and in a timely manner, the cabinet  
6 may impose a delinquency penalty of:

7 (a) Ten percent (10%) of the delinquent ~~taxes and~~ fees due, if the failure is for  
8 not more than thirty (30) days; and

9 (b) An additional ten percent (10%) penalty for each additional thirty (30) days,  
10 or fraction thereof, that the failure continues, not to exceed a total penalty of  
11 one hundred percent (100%) in the aggregate.

12 (7) All recipients of fleet license plates authorized by this section shall provide the  
13 department with an annual vehicle reconciliation and shall annually surrender all  
14 unassigned license plates. Failure to comply with this subsection may result in fines  
15 of up to one thousand dollars (\$1,000) for each occurrence or in suspension or  
16 termination from the fleet program.

17 (8) The cabinet shall promulgate administrative regulations in accordance with KRS  
18 Chapter 13A to set forth procedures for:

19 (a) Fleet vehicle owners to apply to the cabinet for permanent registration for  
20 their fleet vehicles in accordance with this section; and

21 (b) Fleet vehicle owners who qualify as approved entities under KRS 186A.005  
22 to access the electronic title application and registration system for  
23 registration renewal and payment of annual fees ~~and taxes~~ on permanent  
24 registrations.

25 ➔Section 12. KRS 186A.145 is amended to read as follows:

26 (1) Except as provided in subsections (2) and (3) of this section, a county clerk shall  
27 not process an application for Kentucky title and registration from or to any

1 Kentucky resident who has a delinquent motor vehicle ad valorem property tax  
2 account.

3 (2) This section shall not apply to transactions involving:

- 4 (a) Licensed Kentucky motor vehicle dealers;  
5 (b) A person who is engaged in the business of storing or towing motor vehicles,  
6 applying for a new title under KRS 376.275(1)(c); or  
7 (c) A secured party applying for a repossession title under KRS 186.045(6).

8 (3) (a) For any vehicle obtained as the result of a claim on a motor vehicle insurance  
9 policy, an insurer and its agent shall not be responsible for the payment of any  
10 delinquent motor vehicle ad valorem property taxes owed by any previous  
11 owner, when:

- 12 1. Applying for a regular or salvage title; or  
13 2. Transferring ownership of the vehicle to another party.

14 (b) The owner of a motor vehicle that was transferred to an insurer or its agent  
15 under paragraph (a) of this subsection shall remain responsible for any  
16 delinquent motor vehicle ad valorem property taxes owed prior to the transfer.

17 (4) An insurer shall not be exempt from any motor vehicle ad valorem property taxes  
18 owed prior to the effective date of this Act, on any vehicle that it owned~~owns~~:

- 19 (a) As a part of its business operations; or  
20 (b) On January 1, that was obtained as the result of a claim on a motor vehicle  
21 insurance policy.

22 ➔Section 13. KRS 186A.010 is amended to read as follows:

23 (1) An automated motor vehicle and trailer registration and titling system shall be  
24 ~~developed and~~ implemented ~~as expeditiously as practicable~~ in all counties of the  
25 Commonwealth. The automated motor vehicle and trailer registration system shall  
26 be designed to:

27 (a) Enable Kentucky's county clerks to produce motor vehicle and trailer

1 certificates of registration in their offices, and certificates of title in Frankfort,  
 2 by automated means utilizing computer hardware and  
 3 software~~[telecommunication terminals and associated devices]~~ supplied by  
 4 the Commonwealth;~~[-, to]~~

5 **(b)** Inhibit registration and transfer of stolen motor vehicles or trailers, to improve  
 6 the capability of detecting and recovering such vehicles;~~[-, to]~~

7 **(c)** Ensure development of a common vehicle information database to improve  
 8 efficiency in auditing motor vehicle usage tax and~~[-,]~~ license fee collections~~[-,~~  
 9 ~~and in collecting personal property tax to provide information to the traffic~~  
 10 ~~record system,]~~ and to provide improved security interest protection to  
 11 potential creditors throughout Kentucky; and

12 **(d)** Reduce~~[while simultaneously reducing]~~ the number of forms that must be  
 13 processed and stored each year in Kentucky.

14 (2) The Transportation Cabinet is hereby directed to, as expeditiously as practicable,  
 15 develop an automated motor vehicle and trailer registration and titling system,  
 16 having, as a minimum, the capabilities or functions described in this chapter, and to  
 17 acquire and assure the installation of such equipment or services as are necessary to  
 18 enable the system as described in this chapter to be operated in all counties of the  
 19 Commonwealth.

20 (3) All departments of state government affected by the system are hereby directed to  
 21 cooperate with the Transportation Cabinet for purposes of assuring orderly  
 22 implementation of this chapter.

23 ➔Section 14. KRS 141.408 is amended to read as follows:

24 (1) There shall be allowed a nonrefundable and nontransferable credit against the tax  
 25 imposed by KRS 141.020 or 141.040 and 141.0401, with the ordering of the credits  
 26 as provided in KRS 141.0205, for any taxpayer that, on or after January 1, 2018,  
 27 timely pays an ad valorem tax to the Commonwealth or any political subdivision

- 1           thereof for property described in KRS 132.020(1)(~~d~~)(~~e~~) or 132.099.
- 2       (2) The credit allowed under subsection (1) of this section shall be in an amount equal
- 3       to:
- 4       (a) Twenty-five percent (25%) of the ad valorem taxes timely paid for taxable
- 5           years beginning on or after January 1, 2018, and before January 1, 2019;
- 6       (b) Fifty percent (50%) of the ad valorem taxes timely paid for taxable years
- 7           beginning on or after January 1, 2019, and before January 1, 2020;
- 8       (c) Seventy-five percent (75%) of the ad valorem taxes timely paid for taxable
- 9           years beginning on or after January 1, 2020, and before January 1, 2021; and
- 10      (d) One hundred percent (100%) of the ad valorem taxes timely paid, for taxable
- 11           years beginning on or after January 1, 2021.
- 12      (3) If the taxpayer is a pass-through entity, the taxpayer may apply the credit against
- 13      the limited liability entity tax imposed by KRS 141.0401, and shall pass the credit
- 14      through to its members, partners, or shareholders in the same proportion as the
- 15      distributive share of income or loss is passed through.
- 16      (4) No later than October 1, 2019, and annually thereafter, the department shall report
- 17      to the Interim Joint Committee on Appropriations and Revenue:
- 18      (a) The name of each taxpayer taking the credit permitted by subsection (1) of
- 19           this section;
- 20      (b) The location of the property upon which the credit was allowed; and
- 21      (c) The amount of credit taken by that taxpayer.
- 22      ➔Section 15. KRS 92.412 is amended to read as follows:
- 23      (1) Any city of the home rule class that does not elect by ordinance under KRS 132.285
- 24      to use the annual county assessment as the basis for ad valorem tax levies for
- 25      property situated within its boundaries shall follow the procedures set out in this
- 26      section.
- 27      (2) The city legislative body of any city providing for its own assessment shall



1 establish by ordinance the manner of assessment, levy, and collection of ad valorem  
2 taxes, except that taxes on ~~motor vehicles and~~ motorboats shall be governed by  
3 Section 6 of this Act~~[KRS 132.487]~~. The ordinance shall, at a minimum, include  
4 the following:

- 5 (a) The establishment of a board of tax supervisors that shall conform to the  
6 requirements of KRS 92.242;
- 7 (b) The date for assessment of all property subject to city taxation, excluding  
8 ~~motor vehicles and~~ motorboats;
- 9 (c) The method of assessment by an assessor and the development of an  
10 assessment list that shall conform as nearly as possible to that required by law  
11 of the property valuation administrator. The method of assessment shall  
12 include a mechanism by which the assessor can correct errors and notify  
13 owners;
- 14 (d) A statement that the assessment of any real property in the name of a person  
15 other than the true owner shall not invalidate the assessment or any liens  
16 created upon the property;
- 17 (e) Specific penalties for the failure of an owner to give a list of all taxable  
18 property when requested by the assessor and for providing a false or  
19 fraudulent list of property;
- 20 (f) The dates that the board of tax supervisors shall be required to meet and  
21 complete work unless called to meet earlier by the assessor;
- 22 (g) A method for taxpayers to appeal to the board of tax supervisors in the case of  
23 a dispute regarding the assessor's valuation and a statement that a taxpayer  
24 shall have the right to appeal a decision of the board of tax supervisors to the  
25 Circuit Court of the county within thirty (30) days of the final adjournment of  
26 the board of tax supervisors by filing with the court a copy of the action of the  
27 board, certified by the clerk of the board;

- 1 (h) The method for preparation and delivery of tax bills; and
- 2 (i) The due date for ad valorem taxes, including any discounts for early payments
- 3 and any penalties for delinquent payment.
- 4 (3) The city may file an action in District Court to request the court to compel answers
- 5 by process of contempt from an owner who fails to provide a list of taxable
- 6 property to the assessor or gives a false or fraudulent list and may recover the legal
- 7 costs, including attorney's fees, from the owner.
- 8 (4) If any property subject to taxation has not been listed by the assessor or board of
- 9 supervisors, the city legislative body may assess it later, but not after more than five
- 10 (5) years after the date when the assessment should have been made.
- 11 (5) The assessment of property, the levy of taxes on property, the tax bills, the sale of
- 12 property for taxes and the report thereof, and all other acts of record of cities
- 13 relating to the assessment of property and the levy of taxes on property shall be
- 14 conclusive notice to all persons of the assessment, levy, and sales, as well as the
- 15 liens and rights created thereby. No irregularity in the proceedings shall invalidate
- 16 or defeat the collection of taxes by the city upon any property subject to taxation
- 17 therein. The courts shall make all necessary orders to require all such property to
- 18 bear its just proportion of taxation.
- 19 (6) The city shall give notice of the due date of taxes by publication pursuant to KRS
- 20 Chapter 424.
- 21 (7) The city shall possess a lien on delinquent taxes in accordance with KRS
- 22 91A.070(3).
- 23 ➔Section 16. KRS 92.280 is amended to read as follows:
- 24 (1) ~~[Except as provided in KRS 132.487,]~~ The legislative body of an urban-county
- 25 government and each city of the home rule class shall provide each year, by
- 26 ordinance, for the assessment of all real and personal property within the corporate
- 27 limits that is subject to taxation for urban-county government or city purposes, and

1 shall levy an ad valorem tax thereon for those purposes.

2 (2) The legislative body of an urban-county government and each city of the home rule  
3 class may impose license fees on stock used for breeding purposes, and on  
4 franchises, trades, occupations, and professions, and may provide for the collection  
5 of such fees.

6 ➔Section 17. KRS 92.290 is amended to read as follows:

7 ~~[With the exception that the taxable situs of motor vehicles is governed by KRS 132.227,~~  
8 ~~]All real and personal property within any city, and all personal property, except such~~  
9 ~~tangible personal property as has an actual and bona fide situs without the city, of persons~~  
10 ~~domiciled or actually residing in the city on the assessment date, and of all corporations~~  
11 ~~having their chief office or place of business in the city on that date, and all franchises of~~  
12 ~~same, shall be subject to assessment and taxation for city purposes, unless exempt from~~  
13 ~~taxation by the Constitution or statutes of this state. Any franchise granted in whole or in~~  
14 ~~part by a city, and exercised within the city, may be taxed by the city notwithstanding the~~  
15 ~~corporation owning or exercising the same may have its chief office or place of business~~  
16 ~~elsewhere. Any corporation doing business in a city, whether its franchise was granted by~~  
17 ~~such city or not, may be required to pay a license tax.~~

18 ➔Section 18. KRS 133.185 is amended to read as follows:

19 ~~[Except as provided in KRS 132.487,]~~ No tax rate for any taxing district imposing a levy  
20 upon the county assessment shall be determined before the assessment is certified by the  
21 Department of Revenue to the county clerk as provided in KRS 133.180.

22 ➔Section 19. KRS 134.825 is amended to read as follows:

23 The Department of Revenue shall be responsible for payment of all expenses related to  
24 the development and implementation of computer and administrative systems necessary  
25 to carry out the provisions of KRS 134.805, 134.810 and 186A.145 and, further, shall  
26 reimburse each state agency involved for all ongoing operational costs~~[, including the~~  
27 ~~calculation, preparation, and mailing of notices of ad valorem property tax due on motor~~

1 ~~vehicles, incurred by each such agency in administering the provisions of KRS 134.805,~~  
2 ~~134.810 and 186A.145].~~

3       ➔Section 20. KRS 136.1873 is amended to read as follows:

4 The provisions of this section shall apply to assessments made prior to January 1, 2007.

5 (1) ~~[Notwithstanding the provisions of KRS 132.487,]~~ Trucks, trailers, tractors,  
6 semitrailers, and buses of any person, corporation, partnership, or any other  
7 business association whose route or system is partly within this state and partly  
8 within another state or states, shall be assessed by the Department of Revenue for  
9 purposes of taxation as of January 1 each year.

10 (2) The proportion of miles operated in this state compared to the total miles operated  
11 everywhere shall be considered in fixing the value of the property for taxation.  
12 Other reasonable evidence shall be considered in fixing the value. However, pick-  
13 up and delivery vehicles operating from a terminal within this state or vehicles  
14 which do not leave this state in the normal course of business shall not be valued on  
15 an apportioned basis.

16       ➔Section 21. KRS 186.020 (Effective January 1, 2024) is amended to read as  
17 follows:

18 (1) Before the owner of a motor vehicle may operate it or permit its operation upon a  
19 highway, the owner shall apply for registration in accordance with administrative  
20 regulations promulgated by the cabinet, except that a person who purchases a motor  
21 vehicle, or brings a motor vehicle into the Commonwealth from another state shall  
22 make application for registration within fifteen (15) days. The bill of sale or  
23 assigned title must be in the motor vehicle during this fifteen (15) day period. If the  
24 owner of a motor vehicle is an individual and resides in the Commonwealth, the  
25 motor vehicle shall be registered with the county clerk of the county in which he or  
26 she resides. If the owner of a motor vehicle does not reside in the Commonwealth,  
27 the motor vehicle shall be registered with the county clerk of the county in which

1 the motor vehicle is principally operated. If the owner of a motor vehicle is other  
2 than an individual and resides in the Commonwealth, the motor vehicle shall be  
3 registered with the county clerk of either county. The application when presented to  
4 the county clerk for registration shall be accompanied by:

- 5 (a) A bill of sale and a manufacturer's certificate of origin if the application is for  
6 the registration of a new motor vehicle;
- 7 (b) The owner's registration receipt, if the motor vehicle was last registered in this  
8 state;
- 9 (c) A bill of sale and the previous registration receipt, if last registered in another  
10 state where the law of that state does not require the owner of a motor vehicle  
11 to obtain a certificate of title or ownership;
- 12 (d) A certificate of title, if last registered in another state where the law of that  
13 state requires the owner of a motor vehicle to obtain a certificate of title or  
14 ownership;
- 15 (e) An affidavit from an officer of a local government saying that the motor  
16 vehicle has been abandoned and that the provisions of KRS 82.630 have been  
17 complied with, for local governments which elect to use the provisions of  
18 KRS 82.600 to 82.640; and
- 19 (f) The application from a person who has brought a motor vehicle into the  
20 Commonwealth from another state shall be accompanied by proof that the  
21 motor vehicle is insured in compliance with KRS 304.39-080.
- 22 (2) After that, except as provided in subsection (6) of this section, the owner of any  
23 motor vehicle registered under KRS 186.050(1) or (2) shall register his or her motor  
24 vehicle on or before the date on which his or her certificate of registration expires.  
25 If, before operating the motor vehicle in this state, the owner registers it at some  
26 later date and pays the fee for the full year, he or she will be deemed to have  
27 complied with the law. Insofar as the owner is concerned, registration with the clerk

1 shall be deemed to be registration with the cabinet.

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

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

14 (5) At least forty-five (45) days prior to the expiration of registration of any motor  
15 vehicle previously registered in the Commonwealth as provided by KRS 186A.035,  
16 the owner of the vehicle shall be notified by mail ~~on the same notice required by~~  
17 ~~KRS 134.805(5)~~ of the date of expiration. In addition, the department shall provide  
18 appropriate forms and information to permit renewal of motor vehicle registration  
19 to be completed by mail. Any registration renewal by mail shall require payment of  
20 an additional two dollar (\$2) fee which shall be received by the county clerk.  
21 Nonreceipt of the notice herein shall not constitute a defense to any registration  
22 related offense.

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

27 1. The motor vehicle has been stored on a military base during the time of

1 deployment and has not been operated on the public highways during  
2 that time; and

3 2. The vehicle's registration expired during the individual's absence.

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

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

15 (7) The provisions of this section shall not apply to vehicles for which permanent  
16 registration has been obtained pursuant to KRS 186A.127.

17 ➔Section 22. KRS 186A.035 is amended to read as follows:

18 (1) All motor vehicles, including motorcycles, with a gross vehicular weight of six  
19 thousand (6,000) pounds or less, first registered, or for which the registration is  
20 renewed in this state on or after January 1, 1983, shall be placed in a system of  
21 year-round registration based upon the birth month of the owner, in order to  
22 distribute the work of registering motor vehicles as uniformly as practicable  
23 throughout the twelve (12) months of the year.

24 (2) If the owner of a motor vehicle is other than an individual, the month in which the  
25 owning entity came into being shall be used for purposes of this section. If a motor  
26 vehicle is jointly owned, the owners shall indicate to the county clerk the birth  
27 month of one (1) of them to be used for purposes of this section. In addition, if a

1 motor vehicle is jointly owned by a husband and wife, the ownership shall exist as a  
2 joint tenancy with right of survivorship, unless the registration expressly states to  
3 the contrary and gives an alternative specific status. Upon the death of one (1) of  
4 the spouses, the jointly-owned vehicle shall transfer to the surviving spouse free  
5 from payment of any state-required transferral fees.

6 (3) The certificate of registration and license plate issued for a motor vehicle first  
7 registered, renewed, or titled in this state on or after January 1, 1983, shall be valid,  
8 unless revoked in accordance with KRS 186A.040 or canceled by the cabinet in  
9 accordance with KRS Chapter 186 or this chapter, upon payment of the required  
10 fee, for a period beginning on the first day of the month of the year in which  
11 registration is applied for, and expiring on the last day of the next birth month of the  
12 owner following the month during which registration is applied for. Upon the  
13 owner's request, and after payment of the proper prorated fee, an owner may obtain  
14 a certificate of registration and license plate valid through the last day of his second  
15 birth month following the month and year in which he applied for a certificate of  
16 registration. Any transaction relating to registration or registration renewal which  
17 would cause an unexpired Kentucky motor vehicle license plate to be surrendered  
18 shall have that unexpired fee prorated or credited against any additional fee required  
19 by a subsequent registration.

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



1 (\$3).

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

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

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

18 (8) The county clerk shall ensure that the certificate of registration issued to an owner  
19 displays the month and year in which the registration period begins and the month  
20 and year of its expiration, and shall issue to the owner a decal or decals  
21 corresponding to the month and year of expiration shown in the certificate of  
22 registration which shall be placed upon the corresponding license plate by the  
23 owner in the manner required by administrative regulations of the Department of  
24 Vehicle Regulation.

25 ➔Section 23. KRS 235.066 is amended to read as follows:

26 At least thirty (30) days prior to the expiration of registration of any motorboat previously  
27 registered in the Commonwealth as provided by KRS 235.070, the owner of the

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

7 →Section 24. KRS 134.800 is amended to read as follows:

8 The county clerk shall be collector of all state, county, city, urban-county government,  
9 school, and special taxing district ad valorem taxes on motorboats ~~[motor vehicles]~~  
10 registered by the clerk ~~[him]~~. The clerk may accept payment of taxes due by any  
11 commercially acceptable means including credit cards.

12 →Section 25. KRS 133.225 is amended to read as follows:

13 (1) The department shall provide the following information pertaining to property taxes  
14 on a website ~~[Web site]~~ that is accessible to the public:

15 (a) An explanation of the process for assessing property values, which shall  
16 include but not be limited to:

- 17 1. The duties and function of each state and local official involved in the  
18 property assessment process;
- 19 2. The methods most commonly used to compute fair cash value;
- 20 3. The types of property exempt from taxation;
- 21 4. The types of property assessed at a lower value as required by Sections  
22 170 and 172A of the Kentucky Constitution, including property with a  
23 homestead exemption, agricultural property, and horticultural property;
- 24 5. The property tax calendar;
- 25 6. How and when to report property to the property valuation  
26 administrator;
- 27 7. The process for examining real property for valuation purposes;

- 1           8.    How and when a taxpayer is notified of the assessed value of property;
- 2           9.    When and where the public can inspect the tax roll; and
- 3           10. The process for appealing the assessed values of real and personal
- 4           property, including motorboats~~[motor vehicles]~~;
- 5       (b) An explanation of the process for setting the state tax rate and the county, city,
- 6       school, and special taxing district tax rates, including but not limited to:
- 7           1.    The duties and function of each state and local official involved in the
- 8           process for setting tax rates;
- 9           2.    The definitions of compensating tax rate and net assessment growth;
- 10          3.    The requirements set forth in KRS 68.245, 132.023, 132.027, and
- 11          160.470; and
- 12          4.    The recall provisions set forth in KRS 132.017;
- 13       (c) An explanation of the process for property tax collection, including but not
- 14       limited to:
- 15          1.    The duties and function of each state and local official involved in the
- 16          tax collection process;
- 17          2.    How and when to remit payment of the tax;
- 18          3.    The due date for the tax;
- 19          4.    The early payment discount;
- 20          5.    The penalties assessed on delinquent taxes; and
- 21          6.    The delinquent tax collection process; and
- 22       (d) Direct links to the websites~~[Web sites]~~ or guidance on how to access the
- 23       websites~~[Web sites]~~ of the local offices, such as the property valuation
- 24       administrator's office, the county clerk's office, and the sheriff's office, that
- 25       provide taxpayers additional information on the property taxes within its
- 26       jurisdiction.
- 27       (2) The website~~[Web site]~~ address that provides the information required by subsection

1 (1) of this section shall be included on every notice of assessment and property tax  
2 bill sent to the taxpayer.

3 ➔Section 26. KRS 133.240 is amended to read as follows:

4 (1) The county clerk shall be allowed thirty cents (\$0.30) for calculating the state,  
5 county, and school tax and preparing a tax bill for each individual taxpayer for the  
6 sheriff or collector under the provisions of KRS 133.220, and one dollar (\$1) for  
7 each tax bill made in case of an omitted assessment.

8 (2) The county clerk shall present his account to the fiscal court, verified by his  
9 affidavit, together with his receipt from the sheriff for the tax bills and his receipt  
10 from the Department of Revenue for the recapitulation sheets. If found correct, the  
11 court shall allow the account, and order one-half (1/2) of it paid out of the levy and  
12 the other one-half (1/2) out of the State Treasury. The county clerk shall certify the  
13 allowance to the Finance and Administration Cabinet, which shall draw a warrant  
14 on the State Treasurer in favor of the county clerk for the state's one-half (1/2).

15 (3) The above county allowance shall likewise be paid to the county clerk for  
16 calculation of the state, county, city, consolidated local government, urban-county  
17 government, school, and special district tax for each individual ~~motor~~  
18 ~~vehicle~~ motorboat taxpayer, based upon certification from the Department of Revenue of the  
19 number of accounts as of January 1 each year.

20 ➔Section 27. The following KRS sections are repealed:

21 132.227 Situs of vehicle.

22 132.485 Motor vehicle registration as consent to assess -- Exceptions -- Assessment of  
23 vehicle twenty years old or older -- Ownership -- Assessment of vehicle purchased  
24 and registered in different years -- Exemptions -- Criteria for adjustment of value.

25 132.4851 Exemption for portion of motor vehicle property taxes computed on increase  
26 in value between 2021 and 2023 assessments -- Automatic refund of overpayment  
27 of taxes.

- 1 132.487 Centralized ad valorem tax system for all motor vehicles -- General and  
2 compensating tax rates -- Access to records -- Property valuation administrator to  
3 assess motor vehicles.
- 4 132.760 Exemption from ad valorem taxes for trucks, tractors, buses, and trailers used  
5 both in and outside Kentucky and subject to KRS 136.188 fee.
- 6 136.188 Annual fee on trucks, tractors, and buses operating partly within and partly  
7 outside Kentucky -- Fee to replace ad valorem tax -- Determination of value and fee  
8 -- Collection and distribution -- Protest.
- 9 186.193 Evidence required of ad valorem tax payment.
- 10 186A.030 Computation and collection of motor vehicle and trailer ad valorem taxes.
- 11 ➔Section 28. This Act takes effect January 1, 2024.