

1 AN ACT relating to a property tax homestead exemption for disabled veterans.

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 (1) (a) Notwithstanding any statutory provisions to the contrary, real property  
6 owned by and maintained as the permanent residence of a veteran of the  
7 Armed Forces of the United States who meets the qualifications under  
8 paragraph (b) of this subsection shall be provided a homestead exemption  
9 on the assessed valuation of the permanent residence and contiguous real  
10 property in accordance with this section.

11 (b) In order to qualify for the homestead exemption provided under this section,  
12 the owner shall be a veteran with a fifty percent (50%) or greater service-  
13 connected disability rating adjudicated by the United States Department of  
14 Veterans Affairs.

15 (c) The homestead exemption amount is equal to the result computed from  
16 multiplying the veteran's service-connected disability rating percentage by:

17 1. The first one hundred thousand dollars (\$100,000) of the assessed  
18 valuation of the veteran's permanent residence and contiguous real  
19 property; or

20 2. The total assessed valuation of the veteran's permanent residence and  
21 contiguous real property when the total assessed valuation is less than  
22 one hundred thousand dollars (\$100,000).

23 (d) If a veteran qualifies for more than one (1) homestead exemption under this  
24 section and KRS 132.810:

25 1. Only one (1) homestead exemption per residential unit is allowed;

26 2. The homestead exemptions cannot be combined; and

27 3. The homestead exemption amount that provides the largest monetary

1                   benefit to the veteran shall be applied to the assessed valuation of the  
2                   veteran's permanent residence and contiguous real property.

3           (e) The permanent residence and contiguous real property of the surviving  
4           spouse of a veteran who qualified for a homestead exemption under this  
5           section prior to his or her death shall continue to qualify for the homestead  
6           exemption as long as:

7           1. The surviving spouse:

8                   a. Was married to the veteran at the time of the veteran's death;  
9                   and

10                  b. Has not remarried since the death of the veteran; and

11           2. The property:

12                  a. Was the permanent residence of the surviving spouse at the time  
13                  of the veteran's death; and

14                  b. Has been maintained as the permanent residence of the  
15                  surviving spouse since the veteran's death.

16   (2) The department shall prescribe forms and an application process for the  
17   homestead exemption provided under this section.

18   (3) Notwithstanding any statutory provisions to the contrary, the provisions of this  
19   section shall apply to the assessment and taxation of real property for state,  
20   county, city, and special district purposes.

21   (4) A mobile home, manufactured home, or recreational vehicle, when classified as  
22   real property under KRS 132.751, or a modular home shall qualify as a  
23   permanent residence for purposes of the homestead exemption provided under  
24   this section.

25   (5) When title to real property that is exempted either in whole or in part under this  
26   section is transferred, the owner, administrator, executor, trustee, guardian,  
27   conservator, curator, or agent shall report the transfer to the property valuation

1 administrator.

2 (6) The real property may be held by legal or equitable title, by the entireties, jointly,  
3 in common, as a condominium, or indirectly by the stock ownership or  
4 membership representing the owner's or member's proprietary interest in a  
5 corporation owning a fee or a leasehold initially in excess of ninety-eight (98)  
6 years. The homestead exemption provided under this section shall apply only to  
7 the value of the real property assessable to the owner or, in case of ownership  
8 through stock or membership in a corporation, the value of the proportion which  
9 his or her interest in the corporation bears to the assessed value of the property.

10 (7) Any owner making application and qualifying for the homestead exemption  
11 provided under this section:

12 (a) Before payment of his or her property taxes for the assessment year in  
13 question shall be entitled to a full or partial exoneration, as the case may be,  
14 of the property tax due to reflect the taxable assessment after allowance for  
15 the homestead exemption; or

16 (b) After property taxes have been paid for the assessment year in question  
17 shall be entitled to a refund of the taxes paid applicable to the value of the  
18 homestead exemption.

19 ➔Section 2. This Act applies to property assessed on or after January 1, 2027.