



taxing districts that assess property taxes on motor vehicles. Below is a chart estimating the County Clerks' commission using the 45 cents per \$100 of assessed value state property tax rate and adjusting fiscal year 2022 based on the effective date of the bill.

Fiscal Year	Total Motor Vehicle Assessed Values	State Tax Revenue at 45 Cents Tax Rate	County Clerks' 4% Commission
FY 22 (adjusted)	\$ 22,152,777,778	\$ 99,687,500	\$ 3,987,500
FY 23	\$ 40,509,259,333	\$ 182,291,667	\$ 7,291,667
FY 24	\$ 42,546,296,222	\$ 191,458,333	\$ 7,658,333

On January 6, 2022, the Department of Revenue's Office of Property Valuation released a memo pertaining to the motor vehicle assessments adopted on January 1, 2022. This memo indicated the total assessed value for motor vehicles increased by approximately 40 percent when compared to the total assessment adopted on January 1, 2021. Under current statutes, this increase in total assessments will lead to a corresponding increase in motor vehicle property tax receipts at the state and local level during this assessment period. However, since HB 386 exempts a portion of the property taxes assessed on motor vehicles for the January 1 2022, assessment date, the fiscal impact of HB 386 is expected to be negative.

Local property tax rates vary by location. Therefore, the local fiscal impact will be dependent upon the number of taxing districts within each county, the motor vehicle assessment within each taxing district, and the applicable tax rate applied for the exemption. While total motor vehicle assessments and motor vehicle tax rate data are publically available at the county level, the total assessment by taxing district within the county is not publically available. In the absence of motor vehicle assessment data by taxing district, it is not possible to estimate the local fiscal impact. For this reason, **the local impact of HB 386 is negative, but indeterminable.**

**Part III: Differences to Local Government Mandate Statement from Prior Versions**

Part II, above, pertains to the bill as introduced.

**Data Source(s):** LRC Staff Economist, Department of Revenue January 6, 2022 memo,

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