Local Government Mandate Statement Kentucky Legislative Research Commission 2024 Regular Session

Part I: Measure Information

Bill Request #: 1927						
Bill #: HB 590						
Document ID #: <u>5884</u>						
Bill Title: AN ACT relating to the valuation of motor vehicles for property tax purposes and declaring an emergency.						
Sponsor: Representative Myron Dossett						
Unit of Government:XCityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment						
Office(s) Impacted: Local Governments						
Requirement: X Mandatory Optional						
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing						

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 590 exempts a portion of the property taxes assessed on motor vehicles for the January 1, 2024, and January 1, 2025, assessment dates. Any increase in the motor vehicle's valuation from January 1, 2021, will be exempt from state and local ad valorem taxes, including county, city, school, or other taxing district. The exemption applies only to vehicles that were capable of being assessed in the Commonwealth on January 1, 2021.

HB 590 mandates that refunds be issued, within 90 days of the effective date of the bill, for the overpayment of taxes created from the retroactive application of the exemption.

Since HB 590 exempts the increase in a motor vehicle's assessed valuation from January 1, 2021, the fiscal impact of HB 590 is expected to be negative. The local fiscal impact will vary based on the number of taxing districts within each county, the motor vehicle assessment within each taxing district, and the applicable tax rate. Total motor vehicle assessments and motor vehicle tax rate data are publicly available at the county level, but

the total assessment by taxing district within the county is not publicly available. Therefore, **the local fiscal impact is negative but indeterminable.**

Data Source(s): <u>LRC Staff</u>

Preparer:	Brandon White (JB)	Reviewer:	KHC	Date:	2/28/24
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