

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2025 Regular Session**

Part I: Measure Information

Bill Request #:	214	Bill #:	HB 108
Document ID #:	801	Sponsor:	Mike Clines
Bill Title:	AN ACT relating to an ad valorem tax exemption for motor vehicles.		

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local

Office(s) Impacted: County Clerks

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Other Fiscal Statement(s) that may exist: Actuarial Analysis Corrections Impact
 Health Benefit Mandate State Employee Health Plan

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

HB 108 establishes an ad valorem state property tax rate reduction and exemption for motor vehicles assessed under KRS 132.485. HB 108 does not prohibit ad valorem taxes imposed by a county, city, school, or other taxing district in which it has a taxable situs.

HB 108 is expected to have a significant impact on County Clerk revenue.

KRS 134.805 provides the county clerks with a 4% commission on state taxes collected. The commission for 2025 is estimated to be \$7,898,943.57. The County Clerks estimates that their total losses from the 2025 commission to be as follows:

2026	\$877,660.40
2027	\$1,755,320.79
2028	\$2,632,981.19
2029	\$3,510,641.59
2030	\$4,388,301.98
2031	\$5,265,962.38

2032	\$6,143,622.78
2033	\$7,021,283.17
2034	\$7,898,943.57

Data Source(s): County Clerks Association, LRC Staff

Preparer: BW **Reviewer:** AS (MDA) **Date:** 1/28/25