

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2026 Regular Session**

Part I: Measure Information

Bill Request #:	30	Bill #:	HB 891
Document ID #:	6916	Sponsor:	Rep. Richard White
Bill Title:	AN ACT relating to the proration of motor vehicle property taxes.		

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

Office(s) Impacted: County Clerk

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 891 would amend KRS 134.810 to require the proration of motor vehicle property taxes when a motor vehicle is transferred between private parties. The proration would occur on a monthly basis between the transferor and the transferee. The transferor would be responsible for taxes for the months they own the vehicle up to the date of transfer, and the transferee would be responsible for taxes for the months after the transfer until they transfer the vehicle. For purposes of proration, if a transfer occurs before the fifteenth day of a month, that month would count toward the transferee’s portion of the taxes. If the transfer occurs on or after the fifteenth day of a month, the month would count toward the transferor’s portion of the taxes.

The fiscal impact of HB 891 is indeterminable, but is expected to be minimal.

Under KRS 134.800, county clerks collect motor vehicle property taxes and would administer the collection and refund of prorated taxes. HB 891 could result in some additional administrative work related to calculating prorated amounts and processing

refunds. The extent of these administrative costs would depend on how frequently motor vehicles are transferred, which will vary across jurisdictions and over time. However, the impact is expected to be minimal because county clerks already collect motor vehicle property taxes, and the bill would primarily require calculating and administering prorated amounts within the existing process.

The proration of taxes would be generally revenue neutral because the bill does not change the total amount of tax owed to local governments, only how that liability is allocated. To the extent the bill results in overpayments that require refunds, it could affect short term cash flow or administrative processing. However, under KRS 134.590, local governments are already required to refund property tax overpayments.

Data Source(s):

Preparer: AS **Reviewer:** JR (MDA) **Date:** 3/5/26