

1 AN ACT relating to assessment of motor vehicles for property tax purposes and
2 declaring an emergency.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 132.485 is amended to read as follows:

5 (1) (a) Except as otherwise provided in **paragraphs (b), (c), and (d)**~~[paragraph (b)]~~ of
6 this subsection, the registration of a motor vehicle with a county clerk in order
7 to operate it or permit it to be operated upon the highways of the state shall be
8 deemed consent by the registrant for the motor vehicle to be assessed by the
9 property valuation administrator from a standard manual prescribed by the
10 department for valuing motor vehicles for assessment unless:

11 1. The registrant appears before the property valuation administrator to
12 assess the vehicle;~~{or}~~

13 2. The motor vehicle is twenty (20) years old or older, in which case
14 paragraph (b) of this subsection applies regarding its valuation;

15 **3. The motor vehicle is used for personal purposes and not used in the**
16 **business of transporting persons or property for compensation or hire,**
17 **or for other commercial purposes, and is being assessed for the**
18 **January 1, 2022, and January 1, 2023, assessment dates, in which**
19 **case paragraph (c) of this subsection applies regarding its valuation;**
20 **or**

21 **4. Beginning on or after the January 1, 2024, assessment date, the motor**
22 **vehicle is used for personal purposes and not used in the business of**
23 **transporting persons or property for compensation or hire, or for**
24 **other commercial purposes, and the value for the motor vehicle in the**
25 **standard manual exceeds six percent (6%) of the immediately**
26 **preceding year's value in the standard manual, in which case**
27 **paragraph (d) of this subsection applies regarding its valuation.**

1 The standard value of motor vehicles shall be the average trade-in value
2 prescribed by the valuation manual unless information is available that
3 warrants any deviation from the standard value.

4 (b) In the case of motor vehicles that are twenty (20) years old or older:

5 1. It shall not be presumed that a vehicle has been maintained in, or
6 restored to, the original factory or otherwise classic condition or that its
7 value has increased over the previous year;

8 2. In assessing motor vehicles under this paragraph and calculating the
9 taxes due thereon, through the AVIS or otherwise, if the registrant does
10 not appear before the property valuation administrator to assess the
11 vehicle, the standard value shall be as follows:

12 a. The actual valuation of the vehicle as was assessed in the vehicle's
13 nineteenth year, if the vehicle was assessed for taxation in the
14 Commonwealth in that year; or

15 b. The average trade-in value prescribed by the applicable edition of
16 the valuation manual for the vehicle in its nineteenth year, if the
17 vehicle was not assessed for taxation in the Commonwealth in that
18 year;

19 reduced by ten percent (10%) annually for each year beyond nineteen
20 (19) years; and

21 3. In the case of any motor vehicle for which the assessment procedure
22 provided in subparagraph 2.b. of this paragraph would apply but cannot
23 be carried out because the applicable edition of the valuation manual is
24 unavailable, the property valuation administrator shall conduct an
25 assessment of the vehicle to determine the value thereof for the given
26 taxable year. The assessment under this subparagraph may be done in
27 person if the vehicle's owner presents the vehicle at the property

1 valuation administrator's office, or the assessment may be done through
2 a review of photographs and other documentary evidence. In subsequent
3 years, that valuation shall be reduced by ten percent (10%) annually.

4 (c) 1. For the January 1, 2022, and January 1, 2023, assessment dates, in
5 assessing motor vehicles used for personal purposes and not used in
6 the business of transporting persons or property for compensation or
7 hire, or for other commercial purposes, the property valuation
8 administrator shall:

9 a. Assess the motor vehicle at the actual assessed valuation of the
10 vehicle in the immediately preceding year, if the vehicle was
11 assessed for taxation in the Commonwealth in the immediately
12 preceding year; or

13 b. Conduct an assessment of the vehicle to determine the value, if
14 the vehicle was not assessed for taxation in the Commonwealth
15 in the immediately preceding year. The assessment under this
16 subparagraph may be done in person if the vehicle's owner
17 presents the vehicle at the property valuation administrator's
18 office or through a review of photographs and other
19 documentary evidence.

20 2. Tax refunds shall be granted under KRS 134.590 when an
21 overpayment of motor vehicle property taxes occurs in relation to the
22 retroactive valuation requirement established in this paragraph. The
23 department and each property valuation administrator and county
24 clerk shall make public taxpayers' option to request refunds and post
25 information about the retroactive valuation requirement in
26 subparagraph 1. of this paragraph on its Web site, or the county's Web
27 site when a Web site does not exist for the property valuation

1 administrator or county clerk.

2 (d) Beginning on or after the January 1, 2024, assessment date, in assessing
3 motor vehicles used for personal purposes and not used in the business of
4 transporting persons or property for compensation or hire, or for other
5 commercial purposes, and if the value for the motor vehicle in the standard
6 valuation manual exceeds six percent (6%) of the immediately preceding
7 year's value in the standard manual, the property valuation administrator
8 shall:

- 9 1. Assess the motor vehicle at a value that does not exceed six percent
10 (6%) of the actual assessed valuation of the vehicle in the immediately
11 preceding year, if the vehicle was assessed for taxation in the
12 Commonwealth in the immediately preceding year; or
13 2. Conduct an assessment of the vehicle to determine the value, if the
14 vehicle was not assessed for taxation in the Commonwealth in the
15 immediately preceding year. The assessment under this subparagraph
16 may be done in person if the vehicle's owner presents the vehicle at the
17 property valuation administrator's office or through a review of
18 photographs and other documentary evidence.

19 (2) The registration of a recreational vehicle with the county clerk in order to operate it
20 or permit it to be operated upon the highways shall be deemed consent by the
21 registrant thereof for the recreational vehicle to be assessed by the property
22 valuation administrator at a valuation determined from a standard manual
23 prescribed by the department for valuing recreational vehicles for assessment unless
24 the registrant appears in person before the property valuation administrator to assess
25 the vehicle.

26 (3) The registration of a motor vehicle on or before the date that the registration of the
27 vehicle is required is prima facie evidence of ownership on January 1.

1 (4) When a motor vehicle is purchased in one (1) year, but registration takes place after
2 January 1 of the following year through no fault of the owner, the department shall
3 assess the motor vehicle and shall send notice of the assessment to the January 1
4 owner in accordance with KRS 186A.035. If the month of registration has passed
5 for the current year, the assessment shall be due and payable if not protested to the
6 department within sixty (60) days from the date of the notice. Payments made after
7 the due date shall carry the normal penalty and interest for motor vehicles.

8 (5) This section does not apply to motor vehicles or recreational vehicles owned and
9 operated by public service companies, common carriers, or agencies of the state and
10 federal governments.

11 ➔Section 2. This Act applies to motor vehicles assessed on or after January 1,
12 2022.

13 ➔Section 3. Whereas a drastic increase in motor vehicle property tax bills affects
14 the finances of citizens throughout the Commonwealth, an emergency is declared to exist,
15 and this Act takes effect upon its passage and approval by the Governor or upon its
16 otherwise becoming a law.