

1 AN ACT relating to the valuation 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) 1. ~~[Except as otherwise provided in paragraph (b) of this subsection,]~~The
6 registration of a motor vehicle with a county clerk in order to operate it
7 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
9 the property valuation administrator from a standard manual prescribed
10 by the department for valuing motor vehicles for assessment unless:

11 a.~~[1.]~~The registrant appears before the property valuation administrator
12 to assess the vehicle; or

13 b.~~[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 2. The standard value of motor vehicles shall be the average trade-in value,
16 **not the rough or clean trade-in values,** prescribed by the valuation
17 manual~~[unless information is available that warrants any deviation from~~
18 ~~the standard value].~~

19 3. **The property valuation administrator may adjust the value of a motor**
20 **vehicle when the registrant has provided evidence that the standard**
21 **value does not reflect the motor vehicle's condition, options, mileage,**
22 **or certificate of title issued.**

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

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

27 2. In assessing motor vehicles under this paragraph and calculating the

1 taxes due thereon, through the AVIS or otherwise, if the registrant does
2 not appear before the property valuation administrator to assess the
3 vehicle, the standard value shall be as follows:

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

7 b. The average trade-in value prescribed by the applicable edition of
8 the valuation manual for the vehicle in its nineteenth year, if the
9 vehicle was not assessed for taxation in the Commonwealth in that
10 year;

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

13 3. In the case of any motor vehicle for which the assessment procedure
14 provided in subparagraph 2.b. of this paragraph would apply but cannot
15 be carried out because the applicable edition of the valuation manual is
16 unavailable, the property valuation administrator shall conduct an
17 assessment of the vehicle to determine the value thereof for the given
18 taxable year. The assessment under this subparagraph may be done in
19 person if the vehicle's owner presents the vehicle at the property
20 valuation administrator's office, or the assessment may be done through
21 a review of photographs and other documentary evidence. In subsequent
22 years, that valuation shall be reduced by ten percent (10%) annually.

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

1 the registrant appears in person before the property valuation administrator to assess
2 the vehicle.

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

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

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

15 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO
16 READ AS FOLLOWS:

17 (1) For the January 1, 2022, assessment date, when a motor vehicle is assessed under
18 Section 1 of this Act, the portion of property taxes computed on any increase in
19 the motor vehicle's valuation from January 1, 2021, shall be exempt from state
20 and local ad valorem taxes, including the county, city, school, or other taxing
21 district in which the motor vehicle has taxable situs.

22 (2) Taxpayers who paid motor vehicle property taxes prior to the implementation of
23 this section shall be entitled to a refund of the overpayment of taxes created from
24 the retroactive application of this section. Notwithstanding KRS 134.590, the
25 department shall develop procedures that enable taxpayers to receive refunds
26 without making a written request. Refunds shall be issued by the department or
27 the county clerk within ninety (90) days of the effective date of this Act.

1 ➔Section 3. Section 1 of this Act shall apply to motor vehicles assessed on or
2 after January 1, 2023.

3 ➔Section 4. Section 2 of this Act shall apply to motor vehicles assessed on or
4 after January 1, 2022.

5 ➔Section 5. Whereas the valuation of motor vehicles is essential for assessing
6 property taxes and affects citizens throughout the Commonwealth, an emergency is
7 declared to exist, and this Act takes effect upon its passage and approval by the Governor
8 or upon its otherwise becoming a law.