

**CHAPTER 200****( HB 122 )**

AN ACT relating to revenue and declaring an emergency.

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

➔Section 1. KRS 138.477 is amended to read as follows:

- (1) As used in this section:
  - (a) "Department" means the Department of Revenue;
  - (b) "Distribute" means the delivery or transfer of electric power into the battery or other energy storage device of an electric vehicle at a location in this state;
  - (c) "Electric vehicle power" means electrical energy distributed into the battery or other energy storage device of an electric vehicle to be used to power the vehicle;
  - (d) "Electric vehicle power dealer" means a person who owns or leases an electric vehicle charging station *with a charging capacity of twenty (20) kilowatts or more*;
  - (e) "Electric vehicle" has the same meaning as in KRS 186.010;
  - (f) "Electric vehicle charging station" means any place accessible to general public vehicular traffic where electric power may be used to charge a battery or other storage device of a licensed electric vehicle; and
  - (g) "Person" has the same meaning as in KRS 139.010.
- (2) On or after January 1, 2024:
  - (a) An excise tax with an initial base rate of three cents (\$0.03) per kilowatt hour is imposed on electric vehicle power distributed in this state by an electric vehicle power dealer for the purpose of charging electric vehicles in this state; and
  - (b) A surtax with an initial base rate of three cents (\$0.03) per kilowatt hour is imposed on electric vehicle power distributed in this state by an electric vehicle power dealer when the electric vehicle charging station is located on state property.
- (3)
  - (a) On or before December 1, 2024, and on or before each December 1 thereafter, the department shall compare the most current quarterly National Highway Construction Cost Index 2.0 (NHCCI 2.0) value and determine the percentage change in relation to the NHCCI 2.0 value from the same quarter for the previous year.
  - (b)
    1. The tax rate on January 1, 2025, and on each January 1 thereafter, shall be adjusted by the change in the NHCCI 2.0 determined by paragraph (a) of this subsection, unless the change is:
      - a. Greater than a five percent (5%) increase, in which case the taxes shall be one hundred five percent (105%) of the tax rates in effect at the close of the previous calendar year; or
      - b. Greater than a five percent (5%) decrease, in which case the taxes shall be ninety-five percent (95%) of the tax rates in effect at the close of the previous calendar year.
    2. Notwithstanding subparagraph 1. of this paragraph, the tax rate shall not be less than the initial base rate identified in subsection (2) of this section.
  - (c) Adjustments to the tax rate shall be rounded to the nearest one-tenth of one cent (\$0.001).
- (4) At least twenty (20) days in advance of the first day of each calendar year, the department shall provide notification of:
  - (a) The adjusted electric vehicle power tax rate for the upcoming calendar year to all electric vehicle power dealers; and
  - (b) The adjusted electric vehicle ownership fee imposed under KRS 138.475 for the upcoming calendar year to all county clerks.

- (5) This tax shall be:
- (a) Administered by the department; and
  - (b) Transferred to the road fund as defined in KRS 48.010.
- (6) (a) The tax shall be added to the selling price charged by the electric vehicle power dealer at the electric vehicle charging station on electric vehicle power sold in this state.
- (b) If there is no selling price at the charging station, the electric vehicle power dealer shall be responsible for paying the tax on the electric power distributed by the electric vehicle charging station, except in the case of an electric vehicle charging station installed prior to July 1, 2022.
- (7) (a) The tax imposed shall be paid by the electric vehicle power dealer to the State Treasurer.
- (b) The electric vehicle power dealer is liable for the electric vehicle power tax.
- (8) Every electric vehicle power dealer shall, by the twenty-fifth day of each month, transmit to the department reports, on the forms the department may prescribe, on the total kilowatt hours distributed and the amount of tax collected. Payment of the tax shall be due with the report.
- (9) The electric vehicle power dealer shall keep and preserve an accurate record of all receipts of electricity and tax together with invoices or other pertinent records and papers required by the department for five (5) years.
- (10) (a) No dealer or other person shall fail or refuse to make the returns and pay the tax prescribed by this section, or refuse to permit the department or its representatives appointed by the commissioner of the department in writing to examine his or her records, papers, files, and equipment pertaining to the taxable business.
- (b) No person shall make an incomplete, false, or fraudulent return, or attempt to do anything to avoid a full disclosure of the amount of business done or to avoid the payment of the whole or any part of the tax or penalties due.
- (c) No person shall fail to keep and preserve records of electric vehicle power distributed to make reports as required by this section.
- (11) Any person who violates any provision of this section shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and interest at the tax interest rate as defined in KRS 131.183.
- (12) (a) Notwithstanding any other provisions of this chapter to the contrary, the president, vice president, secretary, treasurer, or any other person holding any equivalent corporate office of any corporation subject to the provisions of this chapter shall be personally and individually liable, both jointly and severally, for the taxes imposed under this chapter, and neither the corporate dissolution nor withdrawal of the corporation from the state nor the cessation of holding any corporate office shall discharge the foregoing liability of any person.
- (b) The personal and individual liability shall apply to each and every person holding the corporate office at the time the taxes become or became due.
- (c) No person will be personally and individually liable pursuant to this section who had no authority in the management of the business or financial affairs of the corporation at the time that the taxes imposed by this chapter become or became due.
- (13) (a) Notwithstanding any other provisions of this chapter, KRS 275.150, 362.1-306(3) or predecessor law, or 362.2-404(3) to the contrary, the managers of a limited liability company, the partners of a limited liability partnership, and the general partners of a limited liability limited partnership or any other person holding any equivalent office of a limited liability company, limited liability partnership, or limited liability limited partnership subject to the provisions of this chapter shall be personally and individually liable, both jointly and severally, for the taxes imposed under this chapter.
- (b) Dissolution or withdrawal of the limited liability company, limited liability partnership, or limited liability limited partnership from the state, or the cessation of holding any office shall not discharge the liability of any person.
- (c) The personal and individual liability shall apply to each and every manager of a limited liability company, partner of a limited liability partnership, and general partner of a limited liability limited partnership at the time the taxes become or became due.

- (d) No person shall be personally and individually liable under this subsection who had no authority to collect, truthfully account for, or pay any tax imposed by this chapter at the time that the taxes imposed by this chapter become or became due.
- (14) "Taxes" as used in this section shall include interest accrued at the rate provided by KRS 131.183, all applicable penalties imposed under this chapter, and all applicable penalties and fees imposed under KRS 131.180, 131.410 to 131.445, and 131.990.
- (15) The department may prescribe forms and promulgate administrative regulations to execute and administer the provisions of this section.

➔Section 2. KRS 132.590 is amended to read as follows:

- (1) (a) ***The General Assembly of the Commonwealth of Kentucky hereby finds and determines that property valuation administrators in all counties are officers whose jurisdiction or duties are coextensive with that of the Commonwealth within the meaning of Section 246 of the Constitution of Kentucky.***
- (b) The compensation of the property valuation administrator shall be based on the schedule contained in subsection (2) of this section as modified by subsection (3) of this section. The compensation of the property valuation administrator shall be calculated by the department annually. Should a property valuation administrator for any reason vacate the office in any year during his term of office, he shall be paid only for the calendar days actually served during the year.
- (2) The salary schedule for property valuation administrators provides for nine (9) levels of salary based upon the population of the county in the prior year as determined by the United States Department of Commerce, Bureau of the Census annual estimates. To implement the salary schedule, the department shall, by November 1 of each year, certify for each county the population group applicable to each county based on the most recent estimates of the United States Department of Commerce, Bureau of the Census. The salary schedule provides four (4) steps for yearly increments within each population group. Property valuation administrators shall be paid according to the first step within their population group for the first year or portion thereof they serve in office. Thereafter, each property valuation administrator, on January 1 of each subsequent year, shall be advanced automatically to the next step in the salary schedule until the maximum salary figure for the population group is reached. If the county population as certified by the department increases to a new group level, the property valuation administrator's salary shall be computed from the new group level at the beginning of the next year. A change in group level shall have no effect on the annual change in step. Prior to assuming office, any person who has previously served as a property valuation administrator must certify to the department the total number of years, not to exceed four (4) years, that the person has previously served in the office. The department shall place the person in the proper step based upon a formula of one (1) incremental step per full calendar year of service:

SALARY SCHEDULE

County Population by Group	Steps and Salary for Property Valuation Administrators			
	Step 1	Step 2	Step 3	Step 4
<b>Group I</b> <b>0-4,999</b>	<b>\$81,460</b>	<b>\$83,928</b>	<b>\$86,397</b>	<b>\$88,865</b>
<b>Group II</b> <b>5,000-9,999</b>	<b>88,865</b>	<b>91,334</b>	<b>93,802</b>	<b>96,270</b>
<b>Group III</b> <b>10,000-19,999</b>	<b>96,270</b>	<b>98,739</b>	<b>101,207</b>	<b>103,676</b>
<b>Group IV</b> <b>20,000-29,999</b>	<b>99,973</b>	<b>103,676</b>	<b>107,379</b>	<b>111,081</b>
<b>Group V</b> <b>30,000-44,999</b>	<b>107,379</b>	<b>111,081</b>	<b>114,784</b>	<b>118,487</b>
<b>Group VI</b>				

## ACTS OF THE GENERAL ASSEMBLY

<i>45,000-59,999</i>	<i>111,081</i>	<i>116,018</i>	<i>120,955</i>	<i>125,892</i>
<i>Group VII</i>				
<i>60,000-89,999</i>	<i>118,487</i>	<i>123,424</i>	<i>128,361</i>	<i>133,298</i>
<i>Group VIII</i>				
<i>90,000-499,999</i>	<i>122,189</i>	<i>128,361</i>	<i>134,532</i>	<i>140,703</i>
<i>Group IX</i>				
<i>500,000 and up</i>	<i>129,595</i>	<i>135,766</i>	<i>141,937</i>	<i>148,108</i>
<del>0-4,999</del>	<del>\$45,387</del>	<del>\$46,762</del>	<del>\$48,137</del>	<del>\$49,513</del>
<del>Group II</del>				
<del>5,000-9,999</del>	<del>49,513</del>	<del>50,888</del>	<del>52,263</del>	<del>53,639</del>
<del>Group III</del>				
<del>10,000-19,999</del>	<del>53,639</del>	<del>55,014</del>	<del>56,389</del>	<del>57,765</del>
<del>Group IV</del>				
<del>20,000-29,999</del>	<del>55,702</del>	<del>57,765</del>	<del>59,828</del>	<del>61,891</del>
<del>Group V</del>				
<del>30,000-44,999</del>	<del>59,828</del>	<del>61,891</del>	<del>63,954</del>	<del>66,017</del>
<del>Group VI</del>				
<del>45,000-59,999</del>	<del>61,891</del>	<del>64,641</del>	<del>67,392</del>	<del>70,143</del>
<del>Group VII</del>				
<del>60,000-89,999</del>	<del>66,017</del>	<del>68,768</del>	<del>71,518</del>	<del>74,269</del>
<del>Group VIII</del>				
<del>90,000-499,999</del>	<del>68,080</del>	<del>71,518</del>	<del>74,957</del>	<del>78,395</del>
<del>Group IX</del>				
<del>500,000 and up</del>	<del>72,206</del>	<del>75,644</del>	<del>79,083</del>	<del>82,521</del>

- (3) (a) For calendar year ~~2024~~[2000], the salary schedule in subsection (2) of this section shall be increased by the amount of increase in the annual consumer price index as published by the United States Department of Commerce for the year ended December 31, ~~2023~~[1999]. This salary adjustment shall take effect on *the effective date of this Act* [~~July 14, 2000~~], and shall not be retroactive to the preceding January 1.
- (b) *1.* For each calendar year beginning after December 31, ~~2024~~[2000], upon publication of the annual consumer price index by the United States Department of Commerce, the annual rate of salary for the property valuation administrator shall be determined by applying the increase in the consumer price index to the salary in effect for the previous year. This salary determination shall be retroactive to the preceding January 1. *A property valuation administrator's salary shall not exceed the maximum salary set out for officers whose jurisdiction or duties are coextensive with that of the Commonwealth within the meaning of Section 246 of the Constitution of Kentucky.*
- 2. a.* *Each property valuation administrator who is serving in office on the effective date of this Act who did not receive an eight percent (8%) salary increase in July 2022 while serving as property valuation administrator shall receive a lump-sum payment that is equal to eight percent (8%) of the sum the property valuation administrator received between the effective date of this Act and the date the property valuation administrator took office after July 1, 2022.*
- b.* *The department shall calculate the payments due the eligible property valuation administrators as set out in subdivision a. of this subparagraph and shall direct that the*

*eligible property valuation administrators each receive a lump-sum payment on or before June 30, 2024.*

- (c) In addition to the step increases based on service in office, each property valuation administrator shall be paid an annual incentive of six hundred eighty-seven dollars and sixty-seven cents (\$687.67) per calendar year for each forty (40) hour training unit successfully completed based on continuing service in that office and, except as provided in this subsection, completion of at least forty (40) hours of approved training in each subsequent calendar year. If a property valuation administrator fails without good cause, as determined by the commissioner of the department, to obtain the minimum amount of approved training in any year, the officer shall lose all training incentives previously accumulated. No property valuation administrator shall receive more than one (1) training unit per calendar year nor more than four (4) incentive payments per calendar year. Each property valuation administrator shall be allowed to carry forward up to forty (40) hours of training credit into the following calendar year for the purpose of satisfying the minimum amount of training for that year. This amount shall be increased by the consumer price index adjustments prescribed in paragraphs (a) and (b) of this subsection. Each training unit shall be approved and certified by the department. Each unit shall be available to property valuation administrators in each office based on continuing service in that office. The department shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish guidelines for the approval and certification of training units.
- (4) Notwithstanding any provision contained in this section, no property valuation administrator holding office on *the effective date of this Act*~~[July 14, 2000]~~, shall receive any reduction in salary or reduction in adjustment to salary otherwise allowable by the statutes in force on *the effective date of this Act*~~[July 14, 2000]~~.
- (5) Deputy property valuation administrators and other authorized personnel may be advanced one (1) step in grade upon completion of twelve (12) months' continuous service. The department may make grade classification changes corresponding to any approved for department employees in comparable positions, so long as the changes do not violate the integrity of the classification system. Subject to availability of funds, the department may extend cost-of-living increases approved for department employees to deputy property valuation administrators and other authorized personnel, by advancement in grade.
- (6) Beginning with the 1990-1992 biennium, the department shall prepare a biennial budget request for the staffing of property valuation administrators' offices. An equitable allocation of employee positions to each property valuation administrator's office in the state shall be made on the basis of comparative assessment work units. Assessment work units shall be determined from the most current objective information available from the United States Bureau of the Census and other similar sources of unbiased information. Beginning with the 1996-1998 biennium, assessment work units shall be based on parcel count per employee. The total sum allowed by the state to any property valuation administrator's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed the amount fixed by the department. However, each property valuation administrator's office shall be allowed as a minimum such funds that are required to meet the federal minimum wage requirements for two (2) full-time deputies.
- (7) Beginning with the 1990-1992 biennium each property valuation administrator shall submit by June 1 of each year for the following fiscal year to the department a budget request for his office which shall be based upon the number of employee positions allocated to his office under subsection (6) of this section and upon the county and city funds available to his office and show the amount to be expended for deputy and other authorized personnel including employer's share of FICA and state retirement, and other authorized expenses of the office. The department shall return to each property valuation administrator, no later than July 1, an approved budget for the fiscal year.
- (8) Each property valuation administrator may appoint any persons approved by the department to assist him in the discharge of his duties. Each deputy shall be more than twenty-one (21) years of age and may be removed at the pleasure of the property valuation administrator. The salaries of deputies and other authorized personnel shall be fixed by the property valuation administrator in accordance with the grade classification system established by the department and shall be subject to the approval of the department. The Personnel Cabinet shall provide advice and technical assistance to the department in the revision and updating of the personnel classification system, which shall be equitable in all respects to the personnel classification systems maintained for other state employees. Any deputy property valuation administrator employed or promoted to a higher position may be examined by the department in accordance with standards of the Personnel Cabinet, for the position to which he is being appointed or promoted. No state funds available to any property valuation administrator's office as compensation for deputies and other authorized personnel or for other authorized

expenditures shall be paid without authorization of the department prior to the employment by the property valuation administrator of deputies or other authorized personnel or the incurring of other authorized expenditures.

- (9) Each county fiscal court shall annually appropriate and pay each fiscal year to the office of the property valuation administrator as its cost for use of the assessment, as required by KRS 132.280, an amount determined as follows:

Assessment Subject to		
County Tax of:		
At Least	But Less Than	Amount
----	\$100,000,000	\$0.005 for each \$100 of the first \$50,000,000 and \$0.002 for each \$100 over \$50,000,000.
\$100,000,000	150,000,000	\$0.004 for each \$100 of the first \$100,000,000 and \$0.002 for each \$100 over \$100,000,000.
150,000,000	300,000,000	\$0.004 for each \$100 of the first \$150,000,000 and \$0.003 for each \$100 over \$150,000,000.
300,000,000	----	\$0.004 for each \$100.

- (10) The total sum to be paid by the fiscal court to any property valuation administrator's office under the provisions of subsection (9) of this section shall not exceed the limits set forth in the following table:

Assessed Value of Property Subject to		
County Tax of:		
At Least	But Less Than	Limit
----	\$700,000,000	\$25,000
\$700,000,000	1,000,000,000	35,000
1,000,000,000	2,000,000,000	50,000
2,000,000,000	2,500,000,000	75,000
2,500,000,000	5,000,000,000	100,000
5,000,000,000	7,500,000,000	175,000
7,500,000,000	30,000,000,000	250,000
30,000,000,000	-----	400,000

This allowance shall be based on the assessment as of the previous January 1 and shall be used for deputy and other personnel allowance, supplies, maps and equipment, travel allowance for the property valuation administrator and his deputies and other authorized personnel, and other authorized expenses of the office.

- (11) Annually, after appropriation by the county of funds required of it by subsection (9) of this section, and no later than August 1, the property valuation administrator shall file a claim with the county for that amount of the appropriation specified in his approved budget for compensation of deputies and assistants, including employer's shares of FICA and state retirement, for the fiscal year. The amount so requested shall be paid by the county into the State Treasury by September 1, or paid to the property valuation administrator and be submitted to the State Treasury by September 1. These funds shall be expended by the department only for compensation of approved deputies and assistants and the employer's share of FICA and state retirement in the appropriating county. Any funds paid into the State Treasury in accordance with this provision but unexpended by the close of the fiscal year for which they were appropriated shall be returned to the county from which they were received.

- (12) After submission to the State Treasury or to the property valuation administrator of the county funds budgeted for personnel compensation under subsection (11) of this section, the fiscal court shall pay the remainder of the county appropriation to the office of the property valuation administrator on a quarterly basis. Four (4) equal payments shall be made on or before September 1, December 1, March 1, and June 1 respectively. Any unexpended county funds at the close of each fiscal year shall be retained by the property valuation administrator, except as provided in KRS 132.601(2). During county election years the property valuation administrator shall not expend in excess of forty percent (40%) of the allowances available to his office from county funds during the first five (5) months of the fiscal year in which the general election is held.
- (13) The provisions of this section shall apply to urban-county governments and consolidated local governments. In an urban-county government and a consolidated local government, all the rights and obligations conferred on fiscal courts or consolidated local governments by the provisions of this section shall be exercised by the urban-county government or consolidated local government.
- (14) When an urban-county form of government is established through merger of existing city and county governments as provided in KRS Chapter 67A or when a consolidated local government is established through merger of existing city and county governments as provided by KRS Chapter 67C, the annual county assessment shall be presumed to have been adopted as if the city had exercised the option to adopt as provided in KRS 132.285. For purposes of this subsection, the amount to be considered as the assessment for purposes of KRS 132.285 shall be the amount subject to taxation for full urban services.
- (15) Notwithstanding the provisions of subsection (9) of this section, the amount appropriated and paid by each county fiscal court to the office of the property valuation administrator for 1996 and subsequent years shall be equal to the amount paid to the office of the property valuation administrator for 1995, or the amount required by the provisions of subsections (9) and (10) of this section, whichever is greater~~[-~~.
- ~~(16) Notwithstanding this section or any other Kentucky Revised Statute to the contrary, the total compensation for the office of the property valuation administrator in an urban-county government shall be four hundred twenty thousand dollars (\$420,000) per year.~~

➔ Section 3. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Department" means the Department of Revenue;
- (2) "Taxpayer" means any person made liable by law to file a return or pay a tax;
- (3) "Real property":
  - (a) ~~Means~~~~[includes]~~ all lands within this state and improvements thereon; *and*
  - (b) *For property assessed on January 1, 2024, and on January 1, 2025, includes but is not limited to mains, pipes, pipelines, and conduits that are:*
    1. *Authorized to be installed in, upon, or under any public or private street or place; and*
    2. *Used or to be used for or in connection with the collection, transmission, distribution, conducting, sale, or furnishing of heat, steam, water, sewage, natural or manufactured gas, or electricity to or for the public;*
- (4) "Personal property" ~~means~~~~[includes]~~ every species and character of property, tangible and intangible, other than real property;
- (5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his or her actual or habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state;
- (6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent (\$0.001) per one hundred dollars (\$100) of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair

cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land;

- (7) "Net assessment growth" means the difference between:
- (a) The total valuation of property subject to taxation by the county, city, school district, or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year; and
  - (b) The total valuation of property subject to taxation by the county, city, school district, or special district for the current year;
- (8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:
- (a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction; however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one (1) school district to another;
  - (b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;
  - (c) The value of improvements to existing nonresidential property;
  - (d) The value of new residential improvements to property;
  - (e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;
  - (f) Property created by the subdivision of unimproved property, provided, that when the property is reclassified from farm to subdivision by the property valuation administrator, the value of the property as a farm shall be a deletion from that category;
  - (g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;
  - (h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that the property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided; and
  - (i) The value of improvements to real property previously under assessment moratorium.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year;

- (9) "Agricultural land" means:
- (a) Any tract of land, including all income-producing improvements, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber;
  - (b) Any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for aquaculture; or
  - (c) Any tract of land devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government;
- (10) "Horticultural land" means any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers, or ornamental plants;
- (11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

- (a) Relative percentages of tillable land, pasture land, and woodland;
  - (b) Degree of productivity of the soil;
  - (c) Risk of flooding;
  - (d) Improvements to and on the land that relate to the production of income;
  - (e) Row crop capability including allotted crops other than tobacco;
  - (f) Accessibility to all-weather roads and markets; and
  - (g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income;
- (12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value;
- (13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including but not limited to lawns, drives, flower or vegetable gardens, outbuildings, and all other land connected thereto;
- (14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner;
- (15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property;
- (16) "Manufactured home" means a structure manufactured after June 15, 1976, in accordance with the National Manufactured Housing Construction and Safety Standards Act, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assignees and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure;
- (17) "Mobile home" means a structure manufactured on or before June 15, 1976, that was not required to be constructed in accordance with the National Manufactured Housing Construction and Safety Standards Act, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure;
- (18) "Modular home" means a structure which is certified by its manufacturer as being constructed in accordance with all applicable provisions of the Kentucky Building Code and standards adopted by the local authority which has jurisdiction, transportable in one (1) or more sections, and designed to be used as a dwelling on a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein;
- (19) "Prefabricated home" means a manufactured home, a mobile home, or a modular home;
- (20) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: travel trailer, camping trailer, truck camper, and motor home. As used in this subsection:
- (a) "Travel trailer" means a vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of a size or weight that does not require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms;

- (b) "Camping trailer" means a vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use;
  - (c) "Truck camper" means a portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck; and
  - (d) "Motor home" means a vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle;
- (21) "Hazardous substances" shall have the meaning provided in KRS 224.1-400;
- (22) "Pollutant or contaminant" shall have the meaning provided in KRS 224.1-400;
- (23) "Release" shall have the meaning as provided in either or both KRS 224.1-400 and KRS 224.60-115;
- (24) "Qualifying voluntary environmental remediation property" means real property subject to the provisions of KRS 224.1-400 and 224.1-405, or 224.60-135 where the Energy and Environment Cabinet has made a determination that:
- (a) All releases of hazardous substances, pollutants, contaminants, petroleum, or petroleum products at the property occurred prior to the property owner's acquisition of the property;
  - (b) The property owner has made all appropriate inquiry into previous ownership and uses of the property in accordance with generally accepted practices prior to the acquisition of the property;
  - (c) The property owner or a responsible party has provided all legally required notices with respect to hazardous substances, pollutants, contaminants, petroleum, or petroleum products found at the property;
  - (d) The property owner is in compliance with all land use restrictions and does not impede the effectiveness or integrity of any institutional control;
  - (e) The property owner complied with any information request or administrative subpoena under KRS Chapter 224; and
  - (f) The property owner is not affiliated with any person who is potentially liable for the release of hazardous substances, pollutants, contaminants, petroleum, or petroleum products on the property pursuant to KRS 224.1-400, 224.1-405, or 224.60-135, through:
    - 1. Direct or indirect familial relationship;
    - 2. Any contractual, corporate, or financial relationship, excluding relationships created by instruments conveying or financing title or by contracts for sale of goods or services; or
    - 3. Reorganization of a business entity that was potentially liable;
- (25) "Intangible personal property" means stocks, mutual funds, money market funds, bonds, loans, notes, mortgages, accounts receivable, land contracts, cash, credits, patents, trademarks, copyrights, tobacco base, allotments, annuities, deferred compensation, retirement plans, and any other type of personal property that is not tangible personal property;
- (26) (a) "County" means any county, consolidated local government, urban-county government, unified local government, or charter county government;
- (b) "Fiscal court" means the legislative body of any county, consolidated local government, urban-county government, unified local government, or charter county government; and
- (c) "County judge/executive" means the chief executive officer of any county, consolidated local government, urban-county government, unified local government, or charter county government;
- (27) "Taxing district" means any entity with the authority to levy a local ad valorem tax, including special purpose governmental entities;
- (28) "Special purpose governmental entity" shall have the same meaning as in KRS 65A.010, and as used in this chapter shall include only those special purpose governmental entities with the authority to levy ad valorem taxes, and that are not specifically exempt from the provisions of this chapter by another provision of the Kentucky Revised Statutes;

- (29) (a) "Broadcast" means the transmission of audio, video, or other signals, through any electronic, radio, light, or similar medium or method now in existence or later devised over the airwaves to the public in general.
- (b) "Broadcast" shall not apply to operations performed by multichannel video programming service providers as defined in KRS 136.602 or any other operations that transmit audio, video, or other signals, exclusively to persons for a fee;
- (30) "Livestock" means cattle, sheep, swine, goats, horses, alpacas, llamas, buffaloes, and any other animals of the bovine, ovine, porcine, caprine, equine, or camelid species;
- (31) "Heavy equipment rental agreement" means the short-term rental contract under which qualified heavy equipment is rented without an operator for a period:
- (a) Not to exceed three hundred sixty-five (365) days; or
- (b) That is open-ended under the terms of the contract with no specified end date;
- (32) "Heavy equipment rental company" means an entity that is primarily engaged in a line of business described in Code 532412 or 532310 of the North American Industry Classification System Manual in effect on January 1, 2019;
- (33) "Qualified heavy equipment" means machinery and equipment, including ancillary equipment and any attachments used in conjunction with the machinery and equipment, that is:
- (a) Primarily used and designed for construction, mining, forestry, or industrial purposes, including but not limited to cranes, earthmoving equipment, well-drilling machinery and equipment, lifts, material handling equipment, pumps, generators, and pollution-reducing equipment; and
- (b) Held in a heavy equipment rental company's inventory for:
1. Rental under a heavy equipment rental agreement; or
  2. Sale in the regular course of business;
- (34) "Veteran service organization" means an organization wholly dedicated to advocating on behalf of military veterans and providing charitable programs in honor and on behalf of military veterans;
- (35) "Government restriction on use" means a limitation on the use of at least fifty percent (50%) of the individual dwelling units of a multi-unit rental housing in order to receive a federal or state government incentive based on low-income renter restrictions, including the following government incentives:
- (a) A tax credit under Section 42 of the Internal Revenue Code;
- (b) Financing derived from exempt facility bonds for qualified residential rental projects under Section 142 of the Internal Revenue Code;
- (c) A low-interest loan under Section 235 or 236 of the National Housing Act or Section 515 of the Housing Act of 1949;
- (d) A rent subsidy;
- (e) A guaranteed loan;
- (f) A grant; or
- (g) A guarantee;
- (36) "Low income" means earning at or below eighty percent (80%) of the area median income as defined by the United States Department of Housing and Urban Development for the location of the multi-unit rental housing; and
- (37) "Multi-unit rental housing" means residential property or project consisting of four (4) or more individual dwelling units and does not include:
- (a) Assisted living facilities; or
- (b) Duplexes or single-family units unless they are included as part of a larger property that is subject to government restriction on use.

➔Section 4. KRS 136.010 is amended to read as follows:

As used in this chapter, except for KRS 136.500 to 136.575, unless the context requires otherwise:

- (1) "Real property":
  - (a) ~~Means~~~~includes~~ all lands within this state and improvements thereon; **and**
  - (b) ***For property assessed on January 1, 2024, and on January 1, 2025, includes but is not limited to mains, pipes, pipelines, and conduits that are:***
    1. ***Authorized to be installed in, upon, or under any public or private street or place; and***
    2. ***Used or to be used for or in connection with the collection, transmission, distribution, conducting, sale, or furnishing of heat, steam, water, sewage, natural or manufactured gas, or electricity to or for the public;***~~;~~
- (2) "Personal property" ~~means~~~~includes~~ every species and character of property, tangible and intangible, other than real property;~~;~~
- (3) "Tax exempt United States obligations" ~~means~~~~shall include~~ all obligations of the United States exempt from taxation under 31 *U.S.C. sec.*~~[USC Section]~~ 3124(a) or exempt under the United States Constitution or any federal statute including the obligations of any instrumentality or agency of the United States which are exempt from state or local taxation under the United States Constitution or any statute of the United States; **and**~~;~~
- (4) "Out-of-state business property" means all real and personal property having a taxable situs outside this state owned by a corporation for use in the active conduct of a trade or business.

➔Section 5. Section 1 of this Act shall apply retroactively to January 1, 2024.

➔Section 6. Whereas electric vehicle power dealers are currently remitting the electric vehicle power tax, and it is important to remunerate affected property valuation administrators at the earliest time possible by establishing an adjusted salary schedule, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

**Signed by Governor April 17, 2024.**