

1 AN ACT relating to the valuation of motor vehicles for property tax purposes.

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

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

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

- 10 1. The registrant appears before the property valuation administrator to  
11 assess the vehicle; or  
12 2. The motor vehicle is twenty (20) years old or older, in which case  
13 paragraph ~~(c)~~~~(b)~~ of this subsection applies regarding its valuation.

14 **(b)** The standard value of motor vehicles shall be the average trade-in value  
15 prescribed by the valuation manual unless information is available that  
16 warrants any deviation from the standard value. ***The standard value of a***  
17 ***motor vehicle shall not be the rough trade-in value or clean trade-in value***  
18 ***prescribed by the valuation manual unless information is available that***  
19 ***warrants any deviation from the standard value.***

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

- 21 1. It shall not be presumed that a vehicle has been maintained in, or  
22 restored to, the original factory or otherwise classic condition or that its  
23 value has increased over the previous year;  
24 2. In assessing motor vehicles under this paragraph and calculating the  
25 taxes due thereon, through the AVIS or otherwise, if the registrant does  
26 not appear before the property valuation administrator to assess the  
27 vehicle, the standard value shall be as follows:

- 1           a.    The actual valuation of the vehicle as was assessed in the vehicle's  
2                    nineteenth year, if the vehicle was assessed for taxation in the  
3                    Commonwealth in that year; or
- 4           b.    The average trade-in value prescribed by the applicable edition of  
5                    the valuation manual for the vehicle in its nineteenth year, if the  
6                    vehicle was not assessed for taxation in the Commonwealth in that  
7                    year;  
8                    reduced by ten percent (10%) annually for each year beyond nineteen  
9                    (19) years; and
- 10          3.    In the case of any motor vehicle for which the assessment procedure  
11                    provided in subparagraph 2.b. of this paragraph would apply but cannot  
12                    be carried out because the applicable edition of the valuation manual is  
13                    unavailable, the property valuation administrator shall conduct an  
14                    assessment of the vehicle to determine the value thereof for the given  
15                    taxable year. The assessment under this subparagraph may be done in  
16                    person if the vehicle's owner presents the vehicle at the property  
17                    valuation administrator's office, or the assessment may be done through  
18                    a review of photographs and other documentary evidence. In subsequent  
19                    years, that valuation shall be reduced by ten percent (10%) annually.
- 20    (2)   The registration of a recreational vehicle with the county clerk in order to operate it  
21                    or permit it to be operated upon the highways shall be deemed consent by the  
22                    registrant thereof for the recreational vehicle to be assessed by the property  
23                    valuation administrator at a valuation determined from a standard manual  
24                    prescribed by the department for valuing recreational vehicles for assessment unless  
25                    the registrant appears in person before the property valuation administrator to assess  
26                    the vehicle.
- 27    (3)   The registration of a motor vehicle on or before the date that the registration of the

1           vehicle is required is prima facie evidence of ownership on January 1.

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

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

12       ➔Section 2. This Act takes effect January 1, 2022.