



ANDY BESHEAR  
GOVERNOR

EXECUTIVE ORDER

Secretary of State  
Frankfort  
Kentucky

2022-096  
February 16, 2022

The Kentucky Department of Revenue has reported that by using the standard value for assessing property taxes on motor vehicles for the January 1, 2022, assessment date, an overall valuation increase of approximately 40 percent (40%) will occur in comparison to the January 1, 2021, assessment date; and

The Kentucky Department of Revenue reports nearly 4.5 million motor vehicles in the Commonwealth of Kentucky; and

The COVID-19 global pandemic has affected the motor vehicle market, especially the used car market through, among other things, the disruption of motor vehicle supply chains and the reduction of motor vehicle inventories; and

The United States Bureau of Labor Statistics reports that the prices of used cars and trucks increased 37.3 percent (37.3%) in 2021 after increasing 10 percent (10%) in 2020, representing the largest December to December change in the history of the consumer price index for used cars and trucks; and

Data shows overall total increase of 40 percent (40%) in the value of used cars in Kentucky in 2021; and

J.D. Power forecasts that from the fourth quarter of 2021 to the fourth quarter of 2022, the average whole price of used cars will fall about nine percent (9%), and that prices will continue to decline in 2023; and

Pursuant to KRS 132.485(1)(a), the standard value of motor vehicles shall be the average trade-in value prescribed by the valuation manual unless information is available that warrants any deviation from the standard value; and

Tax policy is typically set through statute, but in Senate Joint Resolution 99 (R.S. 2022), the Kentucky Senate states that the Governor has authority to address the issue and to deviate from the standard value of motor vehicles under KRS 132.485(1)(a):

**NOW, THEREFORE**, I, Andy Beshear, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by the Constitution of Kentucky and by KRS 132.485, do hereby ORDER and DIRECT that:

1. Available information warrants a deviation from the standard value of motor vehicles under KRS 132.485(1)(a) for the January 1, 2022, and the January 1, 2023, assessment dates;
2. For the January 1, 2022 assessment date, the deviation from the standard value of motor vehicles under paragraph 1. of this order shall be to subtract any increase in the assessed value of the motor vehicle from January 1, 2021;
3. For the January 1, 2023, assessment date, the deviation from the standard value of motor vehicles under paragraph 1. of this order shall be to subtract any increase in the assessed value of the motor vehicle from January 1, 2021;



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4. The deviation from the standard value of a motor vehicle for which there is no record of assessment on January 1, 2021, shall be to subtract any increase in the value of the motor vehicle from January 1, 2021, as determined by the property valuation administrator;
5. The deviation from the standard value of a motor vehicle for which there is no record of assessment on January 1, 2022, shall be to subtract any increase in the value of the motor vehicle from January 1, 2021, as determined by the property valuation administrator;
6. The property valuation administrator may adjust the value of a motor vehicle when the registrant has provided evidence that the standard value does not reflect the motor vehicle's condition, options, mileage, or certificate of title issued; and
7. Taxpayers who paid motor vehicle property taxes prior to the effective date of this order shall be entitled to a refund of the overpayment of property taxes credited from the retroactive application of this order. The Kentucky Department of Revenue and local taxing jurisdictions shall establish procedures that allow taxpayers to receive refunds of state and local ad valorem property taxes. Refunds shall be issued by the county clerk, as collector of the ad valorem taxes on motor vehicles, within 180 days of the effective date of this order.

This order is effective February 16, 2022.

A handwritten signature in cursive script that reads "Andy Beshear".

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ANDY BESHEAR, Governor  
Commonwealth of Kentucky

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MICHAEL G. ADAMS  
Secretary of State