**MEMORANDUM**

To: Kentucky Property Valuation Administrators

Kentucky County Clerks

From: Cathy Thompson

Director, Division of State Valuation

Date: January 06, 2022

RE: Motor Vehicle Valuation Increase

The annual motor vehicle year-end valuation was conducted on December 30, 2021, for assessment date January 1, 2022. The new assessments, as compiled by our vendor JD Power, reflect the unprecedented rising value of most motor vehicles as documented by numerous news reports in 2021. Overall, the 2022 valuation increase for vehicles compared to the same time last year is up approximately 40 percent.

While these valuation increases result in a higher resale value for the consumer, they also translate into higher property tax bills. There are a variety of factors contributing to this increase, including:

* New-vehicle production and inventory constraints
* Elevated new vehicle transaction prices
* Ongoing limited supply of used vehicles
* Increased dealer interest in used-vehicle operations

Section 172 of the Kentucky Constitution requires all property to be listed at its fair cash value, estimated at the price it would bring at a voluntary sale, and these new values represent the Department of Revenue’s effort to uphold that standard.

Questions should be directed to the Personal Property Branch, Motor Vehicle Section, at 502-564-8180.

Attachments: JD Power Market Reports, December 9, 2021

The Used Market Running at Historic Levels