

Kentucky Differential Assessment Laws
(also known as current use value tax assessment)

Ky. Rev. Stat. §§ 132.450, 132.454
Current through the 2021 Special Session

132.450 Assessment -- Special procedure and provision for assessing real property at agricultural or horticultural value -- Election by owner.

(1) Each property valuation administrator shall assess at its fair cash value all property which it is his duty to assess except as provided in paragraph (c) of subsection (2) of this section. The property of one (1) person shall not be assessed willfully or intentionally at a lower or higher relative value than the same class of property of another, and any grossly discriminatory valuation shall be construed as an intentional discrimination. The property valuation administrator shall make every effort, through visits with the taxpayer, personal inspection of the property, from records, from his own knowledge, from information in property schedules, and from such other evidence as he may be able to obtain, to locate, identify, and assess property.

(2) (a) In determining the total area of land devoted to agricultural or horticultural use, there shall be included the area of all land under farm buildings, greenhouses and like structures, lakes, ponds, streams, irrigation ditches and similar facilities, and garden plots devoted to growth of products for on-farm personal consumption but there shall be excluded, land used in connection with dwelling houses including, but not limited to, lawns, drives, flower gardens, swimming pools, or other areas devoted to family recreation. Where contiguous land in agricultural or horticultural use in one (1) ownership is located in more than one (1) county or taxing district, compliance with the minimum requirements shall be determined on the basis of the total area of such land and not the area of land which is located in the particular county or taxing district.

(b) Land devoted to agricultural or horticultural use, where the owner or owners have petitioned for, and been granted, a zoning classification other than for agricultural or horticultural purposes qualifies for the agricultural or horticultural assessment until such time as the land changes from agricultural or horticultural use to the use granted by the zoning classification.

(c) When the use of a part of a tract of land which is assessed as agricultural or horticultural land is changed either by conveyance or other action of the owner, the right of the remaining land to be retained in the agricultural or horticultural assessment shall not be impaired provided it meets the minimum requirements, except the minimum ten (10) contiguous acre requirement shall not be applicable if any portion of the agricultural or horticultural land has been acquired for a public purpose as long as the remaining land continues to meet the other requirements of this section.

(d) When in the opinion of the property valuation administrator any land has a value in excess of that for agricultural or horticultural use the property valuation administrator shall enter into the tax records the value of the property according to its fair cash value. When the property valuation administrator determines that the land meets the requirements for valuation as agricultural or horticultural land, the valuation for tax purposes shall be its agricultural or horticultural value.

(3) When land which has been valued and taxed as agricultural land for five (5) or more consecutive years under the same ownership fails to qualify for the classification through no other action on the part of the owner or owners other than ceasing to farm the land, the land shall retain its agricultural

classification for assessment and taxation purposes. Classification as agricultural land shall expire upon change of use by the owner or owners or upon conveyance of the property to a person other than a surviving spouse.

(4) If the property valuation administrator assesses any property at a greater value than that listed by the taxpayer or assesses unlisted property, the property valuation administrator shall serve notice on the taxpayer of such action. The notice shall be given by first-class mail or as provided in the Kentucky Rules of Civil Procedure.

(5) Any taxpayer may designate on the property schedule any property which he does not consider to be subject to taxation, and it shall be the duty of the property valuation administrator to obtain and follow advice from the department relative to the taxability of such property.

History: Amended 2005 Ky. Acts ch. 168, sec. 64, effective June 20, 2005; and ch. 85, sec. 199, effective June 20, 2005. -- Amended 1998 Ky. Acts ch. 495, sec. 1, effective July 15, 1998. -- Amended 1992 Ky. Acts ch. 397, sec. 2, effective July 14, 1992. -- Amended 1982 Ky. Acts ch. 264, sec. 18, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 317, sec. 2, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 260, sec. 2. -- Amended 1970 Ky. Acts ch. 249, sec. 2. -- Amended 1960 Ky. Acts ch. 186, Art. I, sec. 12, effective June 16, 1960. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 3, sec. 7. -- Amended 1942 Ky. Acts ch. 131, secs. 6 and 32. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4047, 4053.

Legislative Research Commission Note (1/1/2006). This section was amended by 2005 Ky. Acts chs. 85 and 168, which do not appear to be in conflict and have been codified together.

<https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=28275>

132.454 Tax liability when real property taxed as agricultural or horticultural is converted to another use.

When land which is valued and taxed as agricultural or horticultural land under paragraph (c) of subsection (2) of KRS 132.450 is converted to any other use after January 1 of the tax year, that portion of the land upon which the use is changed shall be subject to tax for the succeeding tax year at its fair cash value. The owner of the property at the time the land use change is initiated shall, within ninety (90) days, report the change to the property valuation administrator. The owner shall also provide to the property valuation administrator information concerning the most recent sale or lease of the property, copies of any appraisal or feasibility reports made, and any other information useful in determining the fair cash value of the property.

History: Amended 1994 Ky. Acts ch. 60, sec. 1, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 397, sec. 4, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 27, sec. 2, effective July 13, 1990. -- Created 1970 Ky. Acts ch. 249, sec. 3.

Legislative Research Commission Note (7/15/94). The changes in this statute made by 1994 Ky. Acts ch. 60, sec. 1 are "effective for tax years beginning on or after January 1, 1994." See 1994 Ky. Acts ch. 60, sec. 2.

<https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=28277>