

1 AN ACT relating to agricultural land and making an appropriation therefor.

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

3 ➔Section 1. KRS 132.454 is amended to read as follows:

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

14 **(2)** ***When land that has been classified and assessed as agricultural or horticultural***
15 ***is converted into any other use as described in subsection (1) of this section, there***
16 ***shall be a conversion charge of one hundred dollars (\$100) per acre for state***
17 ***purposes on the annual property tax assessment of the property for the***
18 ***succeeding tax year.***

19 **(3)** ***The property valuation administrator shall provide the county clerk a list of***
20 ***properties from the preceding year for which the conversion charge shall be***
21 ***levied. The county clerk shall add the conversion charges to the tax bills of the***
22 ***affected property owners.***

23 **(4)** ***The conversion fees shall be collected and distributed by the sheriff to the state in***
24 ***the same manner as the other state taxes on the bill, and unpaid fees or charges***
25 ***shall bear the same penalty as general state and county taxes. This shall be a lien***
26 ***on the property against which it is levied from the time of the levy.***

27 **(5)** ***If the ownership of the property described in subsections (1) and (2) of this***

1 section changes before the conversion charge for the property is assessed, the
2 seller shall disclose to the buyer the assessment of the conversion charge as part
3 of the sale of the property.

4 (6) The conversion charge shall not be included in the calculation of the state tax
5 rate in KRS 132.020.

6 (7) The proceeds from the conversion charge shall be deposited into the agricultural
7 enhancement fund established in KRS 262.920.