



COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL
FRANKFORT

JOHN B. BRECKINRIDGE
ATTORNEY GENERAL

August 13, 1971

Mr. Sam T. Jarvis
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O'Bryan Court Building
Post Office Box 141
Greenville, Kentucky 42345

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Dear Mr. Jarvis:

In your recent letter it is stated that Muhlenberg County Water District No. 3 recently purchased a new pick-up truck for the use of its serviceman. When the vehicle was presented for registration, the Muhlenberg county clerk required payment of the motor vehicle usage tax. The Muhlenberg County Water District was created under Chapter 74 of the Kentucky Revised Statutes. The question is whether such district is a public agency exempt from payment of the motor vehicle usage tax.

KRS 138.470, as amended by the 1970 General Assembly, (see Chapter 13, page 18, Kentucky Acts 1970) exempted from the payment of the motor vehicle usage tax vehicles sold to the Commonwealth of Kentucky or any of its political subdivisions. The further question therefore is whether Muhlenberg County Water District No. 3 is a political subdivision of the Commonwealth of Kentucky.

A water district is created by a petition to the county court. Prior to 1966 it took 75 resident freeholders to file the petition. A 1966 amendment permitted 25 such freeholders. (See KRS 74.010.)

A water district is administered by commissioners appointed by the county judge for terms. (See KRS 74.020.)

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Work must be let upon bids. (See KRS 74.260.)

Under KRS 74.290, bonds may be issued which are tax exempt. The land in the water district is assessed for the payment of the costs of operating and maintaining the district. (See KRS 74.150.)

From a mere recitation of the above provisions, it would appear this district is a political subdivision of the Commonwealth of Kentucky and is entitled to an exemption from the motor vehicle usage tax when its vehicles are presented for registration with the county clerk.

Sincerely,

John B. Breckinridge

JBB:WSR:jhc