

99.727 Consolidated local government may establish tax delinquency diversion program for blighted property -- Procedures -- Purchases by diverted tax delinquency purchasers -- Administrative regulations.

- (1) As used in this section:
 - (a) "Census block" means an area within the jurisdiction of a local government identified by the United States Census Bureau using a unique four (4) digit number;
 - (b) "Certificate of delinquency" has the same meaning as in KRS 134.010;
 - (c) "Diverted tax delinquency purchaser" means a third-party purchaser who is registered under subsection (8) of this section to purchase a certificate of delinquency related to property placed in a tax delinquency diversion program;
 - (d) "Individual parcel" means a parcel of property not located in a priority project area that has been designated by the commission or alternative government entity as blighted, and for which the area in which the property is located:
 1. Exhibits conditions that are favorable for development;
 2. Has the resources needed for urban redevelopment; and
 3. Has characteristics that can be promoted as part of a campaign to retain existing residents and attract new residents to the area;
 - (e) "Priority project area" means a specific group of properties identified by census block, which are located in an area where:
 1. There are a significant number of blighted properties;
 2. Existing conditions are favorable for development;
 3. Existing resources needed for urban redevelopment are present; and
 4. Existing characteristics of the area can be promoted as part of a campaign to retain existing residents and attract new residents to the area;
 - (f) "Third-party purchaser" has the same meaning as in KRS 134.010; and
 - (g) "Vacant and abandoned property" means a residential property that has been continuously vacant for at least one (1) year with repeated housing, building, or nuisance code violations.
- (2) The legislative body of a consolidated local government may, by ordinance, establish a tax delinquency diversion program for blighted property.
- (3) The ordinance establishing the program shall designate the commission or an alternative government entity as the body responsible for identifying and certifying priority project areas and individual parcels of property for inclusion in the tax delinquency diversion program.
- (4) The commission or alternative government entity shall submit recommended priority project areas and qualifying individual parcels of property to the governing body of the consolidated local government for consideration.
- (5) Except as provided under subsection (7) of this section, certificates of delinquency related to property approved by the governing body of the consolidated local

government for inclusion in the tax delinquency diversion program shall not be available for purchase for a period of up to five (5) years following the year in which the property is placed in the tax delinquency diversion program.

- (6) The commission or alternative government entity shall provide to the county attorney a list of all properties included in the tax delinquency diversion plan, and the county attorney shall place the identified properties on the protected list required under KRS 134.504(10).
- (7)
 - (a) A diverted tax delinquency purchaser may purchase a certificate of delinquency related to vacant and abandoned property which has been placed in a tax delinquency diversion program. After ninety (90) days from the creation of the certificate of delinquency, a diverted tax delinquency purchaser who is interested in purchasing the certificate of delinquency for vacant and abandoned property shall send a notification to the county attorney requesting that the certificate of delinquency be made available for purchase. Within thirty (30) days of receipt of the notification, the county attorney shall:
 1. Verify with the commission or alternative government entity as designated under subsection (3) of this section that the property in question is vacant and abandoned;
 2. Remove the certificate of delinquency from the protected list required by KRS 134.504(10); and
 3. Notify the county clerk and all other diverted tax delinquency purchasers that the certificate of delinquency shall be available for purchase.
 - (b) Once the requirements in paragraph (a) of this subsection are met, the county clerk shall conduct a sale of the certificate of delinquency to diverted tax delinquency purchasers. The sale shall be scheduled within ninety (90) days of the date of the notification sent to the county clerk in paragraph (a)3. of this subsection.
- (8)
 - (a) To qualify as a diverted tax delinquency purchaser, the third-party purchaser shall register with the Department of Revenue under this subsection and be:
 1. A political subdivision of the Commonwealth created by the governing body of a consolidated local government or operating within the boundaries of a consolidated local government;
 2. A state or local agency, board, or commission created by the governing body of a consolidated local government or operating within the boundaries of a consolidated local government;
 3. A quasi-governmental entity created by the governing body of a consolidated local government or operating within the boundaries of a consolidated local government; or
 4. A nonprofit organization that:
 - a. Is registered with the Kentucky Secretary of State;
 - b. Has been registered with the Kentucky Secretary of State for a minimum of five (5) years;

- c. Has a principal place of business in Kentucky;
 - d. Includes affordable housing in its stated purpose; and
 - e. Is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.
- (b) The Department of Revenue shall:
- 1. Decline to issue a certificate of registration to any applicant who does not meet the requirements established under paragraph (a) of this subsection; and
 - 2. Maintain a list of the applicants who are issued a certificate of registration. The list shall include the contact information and email address of each applicant.
- (9) A diverted tax delinquency purchaser shall be subject to the same requirements as a third-party purchaser under KRS Chapter 134.
- (10) The Department of Revenue shall promulgate administrative regulations to establish a process for the purchase and sale of certificates of delinquency related to property placed in a tax delinquency diversion program.

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