



COMMONWEALTH OF KENTUCKY
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**VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 403 OF THE 2024 REGULAR SESSION**

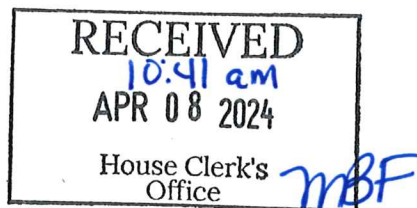
I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following:

House Bill 403 of the 2024 Regular Session of the General Assembly in its entirety.

House Bill 403 would separate the Kentucky Real Estate Commission (“KREC”) from the three other property boards – the Real Estate Appraisers Board, the Board of Auctioneers, and the Kentucky Board of Home Inspectors. The KREC is substantially larger than the other three property boards, and income from the KREC helps support the personnel required to sustain the other three boards. This means those boards will either require an appropriation and/or a funding source, or they will not be able to operate.

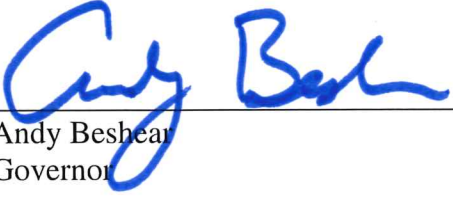
Further, House Bill 403 removes the authority of the Executive Director of the Kentucky Real Estate Authority to approve or disapprove the budgets and expenditures of the KREC and any administrative regulation proposed by the KREC. Instead, under the bill the Executive Director may only provide “feedback.” In 2015, the United States Supreme Court decided North Carolina Board of Dental Examiners v. Federal Trade Comm’n, 574 U.S. 494 (2015), essentially stating that licensure boards consisting of industry operators may not enjoy sovereign or governmental immunity and could potentially be held liable in antitrust proceedings if adequate state supervision is lacking. Thus, there is real concern that House Bill 403 could subject KREC members to potential liability.

House Bill 403 also requires two Executive Directors to be hired – one for KREC and one for the other real property boards – each with seven years of experience in the industry. In light of the previous difficulty in finding one director with the requisite experience, finding two directors with significant industry experience would likely be even more difficult, if not impossible.



For these reasons, I am vetoing House Bill 403.

This, the 8th day of April, 2024.



Andy Beshear
Governor