

**PUBLIC PROTECTION CABINET
Kentucky Real Estate Authority
Kentucky Real Estate Commission
(Repealer)**

201 KAR 11:002. Repeal of 201 KAR 11:030, 201 KAR 11:045, 201 KAR 11:062, 201 KAR 11:090, 201 KAR 11:095, 201 KAR 11:100, 201 KAR 11:110, 201 KAR 11:115, 201 KAR 11:135, 201 KAR 11:145, 201 KAR 11:147, 201 KAR 11:175, 201 KAR 11:180, 201 KAR 11:195, 201 KAR 11:215, 201 KAR 11:225, 201 KAR 11:230, 201 KAR 11:232, 201 KAR 11:235, 201 KAR 11:240, 201 KAR 11:245, 201 KAR 11:250, 201 KAR 11:300, 201 KAR 11:350, 201 KAR 11:400, 201 KAR 11:410, 201 KAR 11:430, 201 KAR 11:440, 201 KAR 11:450, and 201 KAR 11:460.

RELATES TO: KRS 324.282

STATUTORY AUTHORITY: KRS 324.282, 324.281(5)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 324.281(5) and KRS 324.282 authorize the Real Estate Commission, with the approval of the executive director of the Kentucky Real Estate Authority, to promulgate administrative regulations necessary to carry out and enforce the provisions of KRS Chapter 324. This administrative regulation repeals 201 KAR 11:030, 201 KAR 11:147, 201 KAR 11:215, 201 KAR 11:225, 201 KAR 11:230 and 201 KAR 11:430 because the necessary substantive provisions of those administrative regulations have been incorporated into another administrative regulation concerning the licensing for improved efficiency and ease of use. This administrative regulation repeals 201 KAR 11:175, 201 KAR 11:232, 201 KAR 11:235, 201 KAR 11:240, and 201 KAR 11:460 because the necessary substantive provisions of those administrative regulations have been incorporated into another administrative regulation concerning education providers for improved efficiency and ease of use. This administrative regulation repeals 201 KAR 11:450 because the necessary substantive provisions of that administrative regulation has been divided between two other previously mentioned administrative regulation amendments concerning licensing and education providers. This administrative regulation repeals 201 KAR 11:045, 201 KAR 11:090, 201 KAR 11:095, 201 KAR 11:100, 201 KAR 11:062, 201 KAR 11:110, 201 KAR 11:115, 201 KAR 11:410, 201 KAR 11:250, 201 KAR 11:300, 201 KAR 11:350, 201 KAR 11:400, and 201 KAR 11:145 because the necessary substantive provisions of those administrative regulations have been incorporated into a singular administrative regulation concerning the licensee standards of conduct for improved efficiency and ease of use. This administrative regulation repeals 201 KAR 11:195 and 201 KAR 11:135 because the necessary substantive provisions of those administrative regulations have been incorporated into another administrative regulation concerning licensee complaints and discipline for improved efficiency and ease of use. This administrative regulation repeals 201 KAR 11:180, 201 KAR 11:245, 201 KAR 11:440, as the provisions in these administrative regulations were either duplicative or contrary to statute or imposed more restrictive burdens than KRS Chapter 324.

Section 1. The following administrative regulations are hereby repealed:

- (1) 201 KAR 11:030, License cancellation; reasons for;
- (2) 201 KAR 11:045, Written offers to be submitted to owner-client, agreements to provide brokerage services, licensee duties;
- (3) 201 KAR 11:062, Retention of brokers' records;
- (4) 201 KAR 11:090, Instruments prepared by broker; disposition;
- (5) 201 KAR 11:095, Closing statements;

- (6) 201 KAR 11:100, Exclusive listing contract; continuation;
- (7) 201 KAR 11:110, Exclusive authority retained by original broker;
- (8) 201 KAR 11:115, Auction obligations;
- (9) 201 KAR 11:135, Standards for filing a sworn statement;
- (10) 201 KAR 11:145, Salesman's duties when terminating affiliation with broker;
- (11) 201 KAR 11:147, Procedure for license retention when sales associate released by broker;
- (12) 201 KAR 11:175, Instructor approval procedures and guidelines;
- (13) 201 KAR 11:180, Promotion of out-of-state property and time-shares, registration and prerequisites.
- (14) 201 KAR 11:195, Informal Settlement Procedures;
- (15) 201 KAR 11:215, License recognition; application requirements;
- (16) 201 KAR 11:225, License renewal - annual requirements and change request procedures;
- (17) 201 KAR 11:230, Continuing education requirements.
- (18) 201 KAR 11:232, Continuing education provider requirements;
- (19) 201 KAR 11:235, Post-license education requirements;
- (20) 201 KAR 11:240, Distance education requirements;
- (21) 201 KAR 11:245, Property management procedures and guidelines.
- (22) 201 KAR 11:250, Listing and purchase contracts and other agreements entered into by licensees; provisions required; Seller-Initiated Relisting Request Disclosure Form;
- (23) 201 KAR 11:300, Use of facsimile and electronic mail transmissions; electronic storage;
- (24) 201 KAR 11:350, Seller's Disclosure of Property Conditions Form;
- (25) 201 KAR 11:400, Agency disclosure requirements;
- (26) 201 KAR 11:410, Broker duties pursuant to designated agency;
- (27) 201 KAR 11:430, Procedure for criminal records background check - disciplinary action against licensees for acts committed before or during the application process;
- (28) 201 KAR 11:440, Personal assistant duties.
- (29) 201 KAR 11:450, Broker management course; and
- (30) 201 KAR 11:460, Minimum rating requirements for instructors.

LOIS ANN DISPONETT, Chair

H.E. CORDER II, Executive Director

K. GAIL RUSSELL, Secretary

APPROVED BY AGENCY: July 15, 2019

FILED WITH LRC: July 15, 2019 at 9 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on August 21, 2019 at 10:00 a.m. Eastern Time at the Kentucky Real Estate Commission, 656 Chamberlain Ave., Suite B, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this Department in writing by five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m. on August 31, 2019. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Alex D. Gaddis, Deputy General Counsel, Kentucky Real Estate Authority, 656 Chamberlin Ave., Suite B, Frankfort, Kentucky 40601, phone (502) 564-7760, fax (502) 564-1538 email: Alex.Gaddis@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Alex D. Gaddis

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation repeals 201 KAR 11:030, 201 KAR 11:147, 201 KAR 11:215, 201 KAR 11:225, and 201 KAR 11:430 because the necessary substantive provisions of those administrative regulations have been incorporated into another administrative regulation concerning the licensing for improved efficiency and ease of use. This administrative regulation repeals 201 KAR 11:175, 201 KAR 11:232, 201 KAR 11:235, 201 KAR 11:240, and 201 KAR 11:460 because the necessary substantive provisions of those administrative regulations have been incorporated into another administrative regulation concerning education providers for improved efficiency and ease of use. This administrative regulation repeals 201 KAR 11:450 because the necessary substantive provisions of that administrative regulation has been divided between two other previously mentioned administrative regulation amendments concerning licensing and education providers. This administrative regulation repeals 201 KAR 11:045, 201 KAR 11:090, 201 KAR 11:095, 201 KAR 11:100, 201 KAR 11:062, 201 KAR 11:110, 201 KAR 11:115, 201 KAR 11:410, 201 KAR 11:250, 201 KAR 11:300, 201 KAR 11:350, 201 KAR 11:400, and 201 KAR 11:145 because the necessary substantive provisions of those administrative regulations have been incorporated into a singular administrative regulation concerning the licensee standards of conduct for improved efficiency and ease of use. This administrative regulation repeals 201 KAR 11:195 and 201 KAR 11:135 because the necessary substantive provisions of those administrative regulations have been incorporated into another administrative regulation concerning licensee complaints and discipline for improved efficiency and ease of use.

(b) The necessity of this administrative regulation: This administrative regulation repealer is necessary to modernize and simplify the Real Estate Commission's regulatory scheme by reviewing and consolidating administrative regulations concerning the same subject matter.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 324.281(5) and KRS 324.282 authorize the Real Estate Commission, with the approval of the executive director of the Kentucky Real Estate Authority, to promulgate administrative regulations necessary to carry out and enforce the provisions of KRS Chapter 324. Repeal of the administrative regulations proposed in this repealer will modernize and simplify the Real Estate Commission's regulatory scheme by reviewing and consolidating administrative regulations concerning the same subject matter.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This repealer, along with the concurrent amendments to the remaining 11 administrative regulations will greatly simplify the administration of the Real Estate Commission and compliance for all licensees.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is a repealer.

(b) The necessity of the amendment to this administrative regulation: This is a repealer.

(c) How the amendment conforms to the content of the authorizing statutes: This is a repealer.

(d) How the amendment will assist in the effective administration of the statutes: This is a repealer.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation repealer will affect all of the Real Estate Commission's current licensees, as well as prospective license applicants. Additionally, this administrative regulation repealer will affect all of the Real Estate Commission's current prelicensing, post licensing, and continuing education providers. Lastly, this administrative regulation repealer will affect the general public to the extent they interact with licensed real estate professionals.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Licensees and education providers will have to become familiar with the revised regulatory scheme. The general public will not have to take any action to comply with the proposed repeal.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will no cost to current or prospective licensees, and there will be no cost to the general public. Current and prospective education providers may experience minor costs associated with updating their educational materials to reflect the new regulatory scheme.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): As a result of this administrative regulation repealer, compliance will be easier because the simplified regulatory scheme.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no initial cost to implement this administrative regulation repealer.

(b) On a continuing basis: There will be no continuing costs associated with implementing this administrative regulation repealer.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No funding is necessary to implement and enforce this administrative regulation repealer.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: No increased fees or funding are necessary to implement this administrative regulation repealer.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increased any fees: This administrative regulation repealer does not establish any fees, and it does not directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? No, tiering is not applied because this administrative regulation repealer applies equally to all regulated entities.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

(1) What units, parts or divisions of state or local government (including cities, counties, fire departments or school districts) will be impacted by this administrative regulation? The Kentucky Real Estate Commission will be impacted by this administrative regulation. Also, local real estate boards may be impacted by this administrative regulation.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 324.282 requires the Real Estate Commis-

sion to promulgate administrative regulations.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation repealer will not generate revenue for state or local government in the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation repealer will not generate revenue for state or local government in subsequent years.

(c) How much will it cost to administer this program for the first year? There is no cost associated with administering this administrative regulation for the first year.

(d) How much will it cost to administer this program for subsequent years? There is no cost associated with administering this administrative regulation for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation:

Revenues (+/-): Neutral

Expenditures (+/-): Neutral

Other Explanation: This administrative regulation repealer is not expected to have a fiscal impact.