

**OFFICE OF ATTORNEY GENERAL**  
**Kentucky Office of Regulatory Relief**  
**(Amendment)**

**40 KAR 12:500. Going out of business, fire, removal and other KRS 365.415 sales [~~Application for conducting more than two (2) going out of business sales in four (4) years form~~].**

RELATES TO: KRS 365.415, 365.420[365.447]

STATUTORY AUTHORITY: KRS 15.180, 367.150(4), 365.420(7)[365.447]

CERTIFICATION STATEMENT: This is to certify that this administrative regulation amendment complies with the requirements of 2025 RS HB 6, Section 8.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 15.180 authorizes the Attorney General to promulgate administrative regulations that will facilitate performing the duties and exercising the authority vested in the Attorney General and the Department of Law. KRS 367.150(4) requires the Department of Law to recommend administrative regulations in the consumers' interest. KRS 365.415 and 365.420 require sellers conducting going out of business, fire, removal and other KRS 365.415 sales to submit license applications and bonds with the county clerk where the sales occur. KRS 365.420(7) requires the Attorney General to promulgate an administrative regulation to establish a license application form containing an inventory itemization relating to going out of business, fire, removal and other KRS 365.415 sales. KRS 365.420(8) requires applicants to submit surety bonds to county clerks with an application. This administrative regulation prescribes the license application and bond forms to be used by persons conducting going out of business, fire, removal, and other KRS 365.415 sales. [To fulfill the requirement for an application form to conduct more than two (2) going out of business sales in a four (4) year period identified in KRS 365.447.]

Section 1. License Application for Going out of Business, Fire, Removal or Other KRS 365.415 Sale[~~Excess Permits Form~~]. (1) A seller shall not conduct a going out of business, fire, removal, or other KRS 365.415 sale unless the county clerk of the county where a proposed sale is located approves a seller's license application in accordance with this administrative regulation. An applicant shall complete and submit a Going out of Business, Fire, Removal, or Other Sale license application, Form GOB-1, to the county clerk, and submit a completed Going out of Business, Fire, Removal or Other KRS 365.415 Sale Surety Bond, Form GOB-2, or other surety bond satisfactory to the county clerk. [The "Application for Excess Permits Form GOB-2" required by KRS 365.447 shall contain the following information:]

~~[(1)] [The title of the county clerk;]~~

~~[(2)] [The number of going out of business permits acquired by the applicant during past four (4) years;]~~

~~[(3)] [For each of the previous sales, the applicant shall provide the name of the store involved, the name(s) of the owner(s), and the date and address of the sale;]~~

~~[(4)] [The name and address of the owner(s) of the goods to be sold. If the owner is a partnership, corporation, firm, or association, list all partners and officers;]~~

~~[(5)] [The address of the principal office of the applicant in Kentucky;]~~

~~[(6)] [The date and place of incorporation or organization of the business;]~~

~~[(7)] [Whether the controlling interest in the firm or business has been transferred within the twelve (12) months prior to the filing of the application. If the answer is yes, then specify the parties to the transfer and the date of the transfer;]~~

~~[(8)] [The name and style in which the sale is to be conducted;]~~

~~[(9)] [The address of the premises where the sale will be conducted;]~~

- ~~[(10)] [The date the sale is to begin and the projected duration of the sale;]~~  
~~[(11)] [The name and address of the person who will be in charge and responsible for the conduct of the sale;]~~  
~~[(12)] [Nature of the occupancy (lease, etc.) of the premises where the sale is to be held, and the effective date of the termination of the occupancy;]~~  
~~[(13)] [The condition or necessity which is the occasion of the sale;]~~  
~~[(14)] [An explanation of the condition or necessity for the previous sales, and the legitimate business reason for obtaining the excess permits;]~~  
~~[(15)] [The name of the sale, and the reason why the name is truthfully descriptive of the sale;]~~  
~~[(16)] [The location to which the business will be relocated if the sale is a removal sale;]~~  
~~[(17)] [The time, location, and cause of damage to the goods if the license is to conduct a fire sale;]~~  
~~[(18)] [Whether the sale involves foods or drugs damaged by fire or other casualty. If it does, proof of approval by the Department for Human Resources must be provided before the application may be accepted;]~~  
~~[(19)] [The total value of the inventory at cost, with inventory pages from Form GOB-1 attached;]~~  
~~[(20)] [The total value of the inventory at retail from the attached GOB-1 inventory pages;]~~  
~~[(21)] [A sworn and notarized statement from the authorized individual filing the application;]~~  
~~[(22)] [A notice that the applicant will be charged the actual costs of the Attorney General's investigation. The minimum charge will be twenty five (25) dollars, and the maximum charge will be \$250.]~~

## Section 2. Incorporation by Reference.

(1) The following material is incorporated by reference:

~~[(1)] [The "Application for Conducting More Than Two (2) Going out of business Sales in Four (4) Years Form GOB-2" is incorporated by reference.]~~

~~(a) "Going Out of Business, Fire, and Removal Sale License Application", Form GOB-1, Feb. 2026; and~~

~~(b) "Going Out of Business, Fire, and Removal Sale Surety Bond", Form GOB-2, Feb. 2026.~~

~~(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, [Copies of the "Application For Conducting More Than Two (2) Going out of business Sales In Four (4) Years Form GOB-2" may be inspected, copied, or obtained] at the Office of the Attorney General, Capital Complex East~~[Consumer Protection Division]~~, 1024 Capital Drive, Frankfort, Kentucky 40601~~[40602]~~, Monday through Friday, between the hours of 8:00~~[8:30]~~ a.m. and 4:30 p.m.~~[, Monday through Friday.]~~This material is also available on the Office's website, <https://ag.ky.gov/Pages/default.aspx>.~~

*STEPHEN B. HUMPHRESS, Executive Director*

*RUSSELL COLEMAN, Attorney General*

APPROVED BY AGENCY: February 20, 2026

FILED WITH LRC: February 24, 2026 at 1:04 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on May 21, 2026, at 11:00 a.m. Eastern Time at the Office of Administrative Hearings, Conference Room B, 105 Sea Hero Road, Suite 2, Conference Room B, Frankfort, Kentucky 40601. Frankfort, Kentucky 40601. Individuals

interested in being heard at this hearing shall notify this Office in writing at least five (5) 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 May 31, 2026. 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:** Stephen B. Humphress, Executive Director, Kentucky Office of Regulatory Relief, Kentucky Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, phone: 502-696-5481 fax: (502) 573-8317, email: [steve.humphress@ky.gov](mailto:steve.humphress@ky.gov).

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

**Contact Person:** Stephen B. Humphress

**Subject Headings:** Attorney General; County Clerks; Occupations and Professions; and Bonds

**(1) Provide a brief summary of:**

**(a) What this administrative regulation does:**

This administrative regulation establishes the license application form and surety bond form to be used by persons conducting going out of business, fire, removal, and other KRS 365.415 sales for submission to county clerks who issue the licenses.

**(b) The necessity of this administrative regulation:**

This regulation is necessary since it allows the Office of Attorney General ("Attorney General"), to perform its statutory mandates.

**(c) How this administrative regulation conforms to the content of the authorizing statutes:**

KRS 15.180 directs the Attorney General to promulgate administrative regulations that will facilitate the performance of duties vested in the Attorney General and the Department of Law. KRS 367.150(4) requires the Department of Law to study the operation of all laws, rules, administrative regulations, orders, and state policies affecting consumers and to recommend administrative regulations in the consumers' interest. KRS 365.420(7) requires the Attorney General to promulgate administrative regulations to establish a license application containing inventory lists for persons conducting going out of business, fire, removal, and other KRS 365.415 sales for submission to county clerks who issue the licenses.

**(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:**

This administrative regulation establishes the license application form and bond form to be used by persons conducting going out of business, fire, removal, and other KRS 365.415 sales for submission to county clerks who issue the licenses.

**(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 amendment makes changes to comply with KRS Chapter 13A drafting requirements. The amendment updates an incorporated form that it is easier for regulated businesses to complete. The amendment removes unnecessary language from the regulation as duplicative and already incorporated by reference in the updated form. This regulation and companion amendment to 40 KAR 12:400 combine three (3) regulations into two (2) regulations to reduce the regulatory burden on regulated entities. These companion amendments eliminate the need for 40 KAR 2:200, which is being repealed.

**(b) The necessity of the amendment to this administrative regulation:**

The necessity of the amendment to this administrative regulation: The Attorney General needs to update the regulation to conform to KRS Chapter 13A drafting requirements. The Attorney General needs to update its regulation and forms to make both more easily understood by regulated entities, county clerks and consumers.

**(c) How the amendment conforms to the content of the authorizing statutes:**

As previously explained, KRS 15.180, KRS 367.150(4) and KRS 365.420(7) authorize the administrative regulation amendments.

**(d) How the amendment will assist in the effective administration of the statutes:**

It is intended that the regulation amendment will cause the regulation to be more easily understood and the updated form to be more easily completed by regulated entities and county clerks.

**(3) Does this administrative regulation or amendment implement legislation from the previous five years? No**

**(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:**

This regulation amendment affects an unknown number of KRS 365.415 sales license applicants each year and one hundred and twenty (120) county court clerks.

**(5) Provide an analysis of how the entities identified in question (4) 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 (4) will have to take to comply with this administrative regulation or amendment:**

License applicants will be required to use the new forms incorporated into this regulation. County clerks will be required to review and process the new forms.

**(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):**

License applicants will bear no additional cost as they will be able to download the new forms from the Attorney General's website at no cost. County clerks will incur no additional costs from reviewing and processing the new application and bond forms.

**(c) As a result of compliance, what benefits will accrue to the entities identified in question (4):**

The regulation amendment is intended to make the regulation more easily understood by regulated entities and county clerks. The regulation amendment is also intended to make the updated form to be more easily completed by regulated entities and county clerks.

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

**(a) Initially:**

There are no costs to implement this administrative regulation amendment.

**(b) On a continuing basis:**

There are no continuing costs to implement this administrative regulation amendment.

**(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:**

There are no additional costs associated with implementing this administrative regulation amendment.

**(8) 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:**

There is no anticipated increase in fees or funding necessary to amend this administrative regulation.

**(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:**

This administrative regulation amendment does not directly or indirectly increase any fees.

**(10) TIERING: Is tiering applied?**

No. This regulation treats all applicants for going out of business, fire, removal, and other KRS 365.415 sales licenses from county clerks equally.

## FISCAL IMPACT STATEMENT

**(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation:**

KRS 15.180, 367.150(4), and 365.420.

**(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:**

This administrative regulation is expressly authorized by 1960 Ky. Acts ch. 68, Art. II, sec. 1; 1972 Ky. Acts ch. 4, sec. 4; and 1966 Ky. Acts ch. 60, sec. 3.

**(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:**

The Office of Attorney General, Kentucky Office of Regulatory Relief ("Attorney General") is the promulgating agency. The administrative regulation amendment does not affect any other state agencies.

**(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):**

**1. Expenditures:**

**For the first year:**There are no expenditures to administer this administrative regulation amendment for the first year.

**For subsequent years:**There will be no expenditures to administer the administrative regulation amendment in subsequent years.

**2. Revenues:**

**For the first year:**This administrative regulation amendment will generate no revenues to the Attorney General for the first year.

**For subsequent years:**This administrative regulation amendment will generate no revenues to the Attorney General in subsequent years.

**3. Cost Savings:**

**For the first year:**The administrative regulation amendment will result in no cost saving to the Attorney General for the first year.

**For subsequent years:**The administrative regulation amendment will result in no cost savings to the Attorney General in subsequent years.

**(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):**

The administrative regulation amendment will affect all county clerks. The administrative regulation amendment does not affect any other local entities.

**(b) Estimate the following for each affected local entity identified in (4)(a):**

**1. Expenditures:**

**For the first year:**This administrative regulation amendment will not cause expenditures by county clerks for the first year.

**For subsequent years:**This administrative regulation amendment will not cause expenditures by county clerks in subsequent years.

**2. Revenues:**

**For the first year:County clerks will receive no revenues from this administrative regulation amendment for the first year.**

**For subsequent years:County clerks will receive no revenues from this administrative regulation amendment in subsequent years.**

**3. Cost Savings:**

**For the first year:It is intended that this administrative regulation amendment will cause county clerks to receive cost savings from efficient and quicker processing of the updated license application and bond forms, which are difficult to estimate at this time, but estimated to be de minimis, for the first year.**

**For subsequent years:It is intended that this administrative regulation amendment will cause county clerks to receive cost savings from efficient and quicker processing of the updated license application and bond forms, which are difficult to estimate at this time, but estimated to be de minimis, in subsequent years.**

**(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):**

Applicants seeking a going out of business sale or other KRS 365.415 licenses from county clerks will be affected by this administrative regulation amendment.

**(b) Estimate the following for each regulated entity identified in (5)(a):**

**1. Expenditures:**

**For the first year:This administrative regulation amendment will not cause applicants to have any additional expenditures for the first year.**

**For subsequent years:This administrative regulation amendment will not cause applicants to have any additional expenditures in subsequent years.**

**2. Revenues:**

**For the first year:Applicants will not receive any revenues directly from this administrative regulation amendment for the first year.**

**For subsequent years:Applicants will not receive any revenues directly from this administrative regulation amendment in subsequent years.**

**3. Cost Savings:**

**For the first year:It is intended that this administrative regulation amendment will cause applicants to receive cost savings from quicker processing of the updated license application and bond forms, which are difficult to estimate at this time, but estimated to be de minimis, for the first year.**

**For subsequent years:It is intended that this administrative regulation amendment will cause applicants to receive cost savings from quicker processing of the updated license application and bond forms, which are difficult to estimate at this time, but estimated to be de minimis, in subsequent years.**

**(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a)**

**(a) Fiscal impact of this administrative regulation:**

amendment: This administrative regulation amendment will have no fiscal impact. The amendment merely updates the application and bond forms used by applicants seeking

going out of business sale or other KRS 365.415 sale licenses from county clerks. The amendment does not affect any other governmental agencies or local governments. The amendment does not increase any fees. For these reasons, the amendment is not expected to have any significant fiscal impact.

**(b) Methodology and resources used to reach this conclusion:**

The Attorney General used a quantitative methodology analysis based on history of administrative agencies which license or register businesses in a specific subject area and the resulting facts from this regulation. The Attorney General used staff resources in determining the fiscal impact.

**(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):**

**(a) Whether this administrative regulation will have a "major economic impact", as defined by KRS 13A.010(14):**

There is not an expected "major economic impact" from this administrative regulation amendment for the Attorney General, any local government entities, or affected regulated entities.

**(b) The methodology and resources used to reach this conclusion:**

The Attorney General used a quantitative methodology analysis based on history of administrative agencies which license or register businesses in a specific subject area and resulting facts from this regulation. The Attorney General used staff resources in reaching the conclusion that no overall negative or adverse major economic impact results from this administrative regulation amendment.