

OFFICE OF ATTORNEY GENERAL
Kentucky Office of Regulatory Relief
(Amended at ARRS Committee)

40 KAR 12:430. Buying clubs and vacation clubs.

RELATES TO: KRS 367.395, 367.401, 367.403

STATUTORY AUTHORITY: KRS 15.180, 367.150(4)

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 367.403 requires buying club sellers and vacation club sellers to file bonds with the Attorney General. KRS 367.407 permits non-profit organizations to file applications with the Attorney General to seek exemption from the requirements of KRS 367.397 to KRS 367.403. This administrative regulation establishes an online bond submission process for buying club sellers and vacation club sellers, establishes an online application process for nonprofit organizations seeking exemption status, and establishes a surety bond form for use by buying club sellers and vacation club sellers.

Section 1. Buying and Vacation Club Seller Surety Bond Submission.

(1)

(a) A buying club seller or a vacation club seller that has a membership fee exceeding thirty-five (35) dollars shall not make sales ~~Before selling club memberships~~ to Commonwealth of Kentucky residents, unless the seller submits ~~a buying club seller or a vacation club seller that has a membership fee exceeding thirty-five (35) dollars shall submit~~ a surety bond to the Attorney General in accordance with this administrative regulation.

(b) A buying club seller or a vacation club seller shall submit a surety bond using the ~~Buying/Vacation Club Seller Surety Bond submission portal~~ available at <https://www.ag.ky.gov/Resources/Pages/forms.aspx>.

(2) ~~To complete~~ ~~When completing~~ the online bond submission portal, a buying club seller or a vacation club seller shall submit:

(a) The seller's certificate of existence, authorization certificate from the Kentucky Secretary of State's office, or other evidence of the applicant's authority to transact business in Kentucky; and ~~ff~~

(b) A completed Buying and Vacation Club Seller Surety Bond, form BV-1, or other completed surety bond complying with KRS 367.403.

Section 2. Buying and Vacation Club Seller Exemption Application.

(1) A nonprofit organization may submit an online application to be exempted from the requirements of KRS 367.397 to 367.403 by using the ~~Buying and Vacation Club Seller Application portal~~ available at <https://www.ag.ky.gov/Resources/Pages/forms.aspx>.

(2) ~~To submit~~ ~~When submitting~~ the online application, an applicant shall submit the applicant's certificate of existence, authorization certificate from the Kentucky Secretary of State's office, or other evidence of the applicant's authority to transact business in Kentucky.

(3) ~~An applicant~~ ~~Applicants~~ shall submit additional information or documents for their application within thirty (30) days of any request by the Attorney General. The Attorney

General may deny any application if an applicant fails to timely complete the application by not providing requested missing information or required documents.

Section 3. Record Requests. A buying club seller, vacation club seller or exempted non-profit organization shall make ~~business requested~~ records, documents, and information related to an investigation or inquiry readily available to the Attorney General for inspection and copying upon request.

Section 4. Incorporation by Reference.

(1) The following material is incorporated by reference:

- (a) "Buying and Vacation Club Seller Surety Bond", Form BV-1, Dec. 2025;
- (b) "Buying/Vacation Club Seller Surety Bond submission portal", Dec. 2025; and
- (c) "Buying and Vacation Club Seller Exemption Application portal", Dec. 2025.~~ff~~

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Office of the Attorney General Capital Complex East, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m. This material is also available on the Attorney General's website, <https://ag.ky.gov/Pages/default.aspx>.

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