

BOARDS AND COMMISSIONS
Kentucky Board of Licensure for Private Investigators
(Amendment)

201 KAR 41:100. Verification of limited employees.

RELATES TO: KRS 329A.025, 329A.070

STATUTORY AUTHORITY: KRS 329A.025(2), 329A.070(9)

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 329A.025(2) and 329A.070(9) require the board to establish a fee and a method of verification of the number of hours worked by a limited employee who works under the direction of a private investigator or private investigating firm licensed by the board. This administrative regulation establishes a fee and method for this verification.

Section 1. Definitions.

- (1) "Limited employee" means a person who engages in private investigating for a licensed private investigator or licensed private investigating firm for less than 240 hours per year.
- (2) "Private investigating" is defined by KRS 329A.010(4).

Section 2. Registration of Limited Employees.

- (1) Within five (5) business days of hiring, a licensee of the board shall file with the board a Limited Employee Registration form for each limited employee who works for that licensee under the exemption in KRS 329A.070(9). The Limited Employee Registration form shall be accompanied by payment of a twenty (20) dollar fee per limited employee registered and documentation providing the results of a national background check on the limited employee.
- (2) The board shall assign the limited employee a tracking number that the licensee shall use on all reporting forms.
- (3) A licensee shall file a Limited Employee Registration form with the Board to update a limited employee's information, if changed, or upon termination of employment.
- (4)
 - (a) Each licensee shall maintain a daily log listing the dates and hours worked for each limited employee.
 - (b) Within five (5) business days of the board's request, the licensee shall provide the daily log to the board.
- (5) A limited employee may work for more than one (1) licensee during a one (1) year period. Each licensee employing that person shall comply with the requirements of this administrative regulation.

Section 3. Annual Reports. Between December 1st and December 31st each year, the licensee shall submit to the board an Annual Limited Employee Report listing each registered limited employee and the number of hours each limited employee worked during that year.

Section 4. Registration Renewal.

- (1) Limited employee registration shall expire one (1) year from the date of issuance. To renew, a licensee shall submit a Limited Employee Registration form listing each registered limited employee to be renewed and payment of the twenty (20) dollar fee per limited employee registered no later than forty-five (45) days prior to the expiration date.
- (2) Failure to timely submit the fee payment or the Limited Employee Registration form shall automatically suspend the limited employee's licensure exemption under KRS

329A.070(9) until the board receives and processes the payment and completed Limited Employee Registration form.

Section 5. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) "Limited Employee Registration", 5/2018; and

(b) "Annual Limited Employee Report", 5/2018.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Board of Licensure for Private Investigators, 500 Mero Street, 911 Leewood Drive, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.201 KAR 41:100

LESA WATSON, Chair

APPROVED BY AGENCY: October 1, 2026

FILED WITH LRC: October 1, 2026 at 3:00 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on December 21, 2026, at 9:00 a.m., eastern time, in the Kentucky Board of Licensure for Private Investigators, 500 Mero Street, First Floor, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency 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. The 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 December 31, 2026, at 11:59 p.m., eastern time. Send written notification of the intent to be heard at the public hearing or written comments on the proposed administrative regulation by the above date to the contact person below:

CONTACT PERSON: Jennifer Wolsing, Attorney, Kentucky Board of Licensure for Private Investigators 500 Mero Street, 2nd Floor Frankfort, Kentucky 40601 Phone: (502) 401-7617 Email: jennifer.wolsing@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Jennifer Wolsing **Phone:** (502) 401-7617 **Email:** jennifer.wolsing@ky.gov

Subject Headings: Licensing, Occupations and Professions, Private Investigations

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes the process for verification of the number of hours worked by an employee under the direction of a licensee, pursuant to KRS 329A.070(9),

(b) The necessity of this administrative regulation:

This administrative regulation is necessary to establish a verification process as required by KRS 329A.070(9).

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

This administrative regulation establishes a process for licensees to register employees working under their direction pursuant to KRS 329A.070(9) and for the board to verify the number of hours each registered employs works on an annual basis.

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

KRS 319A.025 authorizes the board to promulgate administrative regulations establishing fees in order to carry out its statutory mandates. This administrative regulation sets fees, which are used to carry out the board's statutory mandates.

(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 requires licensees to conduct background checks on temporary or limited employees.

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

This proposed amendment is necessary to ensure that Kentucky's limited private investigators are properly vetted prior to employment.

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

KRS 319A.025 authorizes the board to promulgate administrative regulations establishing fees in order to carry out its statutory mandates. This proposed amendment adjusts those fees to conform to fees in neighboring states.

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

This administrative regulation is necessary to establish a verification process as required by KRS 329A.070(9).

(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 will affect an estimated 105 private investigation businesses, if those businesses choose to hire limited employees. This could also affect the board's 415

individual licensures. With an individual license, one could work for someone's PI company or have his or her own business as a self-proprietor.

(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:

Private investigation businesses will need to conduct a background check in order to verify the backgrounds of any limited employees that the businesses choose to hire.

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

A national background check costs approximately \$100 per person.

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

Compliance will ensure that all private investigators are properly checked before hire.

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

(a) Initially:

There are no anticipated initial costs to administer this regulatory amendment.

(b) On a continuing basis:

There are no anticipated continuing costs to administer this regulatory amendment.

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

Any department costs of implementation will be met with existing agency funds.

(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:

This amendment will not necessitate an increase in fees or require funding from the agency for implementation.

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

There are no fees increased by this amendment.

(10) TIERING: Is tiering applied?

Tiering is not applied because all licensees are treated equally by the proposed amendment.

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 329A.025(2)(b).

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

No.

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

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

1. Expenditures:

For the first year:None.

For subsequent years:None.

2. Revenues:

For the first year:None.

For subsequent years:None.

3. Cost Savings:

For the first year:None.

For subsequent years:None.

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

This proposed regulatory amendment will not affect local entities.

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

1. Expenditures:

For the first year:N/A

For subsequent years:N/A

2. Revenues:

For the first year:N/A

For subsequent years:N/A

3. Cost Savings:

For the first year:N/A

For subsequent years:N/A

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

Private investigation businesses will be impacted by this regulation if they choose to hire limited or temporary employees.

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

1. Expenditures:

For the first year:\$100 per limited employee.

For subsequent years:\$100 per limited employee.

2. Revenues:

For the first year:None.

For subsequent years:None.

3. Cost Savings:

For the first year:None.

For subsequent years:None.

(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:

This amendment may cost certain businesses an additional fee of \$100 per limited employee.

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

The text of the proposed amendment states that each limited employee must undergo a background check. Background checks are, on average, \$100 per person.

(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):

No.

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

Please see the answer to (5)(a).