STATEMENT OF EMERGENCY
605 KAR 1:220E.

This emergency administrative regulation is necessary to implement Senate Bill 291 (R.S. 2026), an Act relating to recyclers and declaring an emergency. Senate Bill 291 transfers oversight, inspection, registry, hearing, and enforcement responsibilities for secondary metals recyclers to the Motor Vehicle Commission and requires the commission to promulgate administrative regulations to implement Sections 1 to 12 of the Act. Immediate implementation is necessary to allow the commission to conduct inspections and investigations, issue citations, provide administrative hearings in accordance with KRS Chapter 13B and 605 KAR 1:131, process electronic-registry matters, maintain centralized enforcement records, and carry out reporting duties assigned by statute. An ordinary administrative regulation is not sufficient because the ordinary administrative regulation process will not place the enforcement, registry, inspection, and hearing procedures into effect in time for the commission to administer the statutory transition created by Senate Bill 291 (R.S. 2026) and to avoid a gap in the commission's ability to administer and enforce the secondary metals recycler statutory scheme. This emergency administrative regulation will be replaced by an ordinary administrative regulation. The ordinary administrative regulation is identical to this emergency administrative regulation, except for the emergency designation, statement of emergency, and other filing designations required by KRS Chapter 13A.

ANDY BESHEAR, Governor
RAY COTTRELL, Jr., Chairman

TRANSPORTATION CABINET

Motor Vehicle Commission

(New Emergency Administrative Regulation)

605 KAR 1:220E. Secondary metals recycler enforcement, registry, and hearing procedures.

RELATES TO: KRS Chapter 13B, KRS 433.892, 433.894, 433.900, 433.906, 433.910, 433.912, 433.914, 433.918, 433.920, 433.922, 433.925

STATUTORY AUTHORITY: KRS 433.900, 433.910, 433.912, 433.918, 433.922, 433.925

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 433.910 requires the Motor Vehicle Commission to oversee, manage, and enforce penalties and disciplinary actions involving secondary metals recyclers and to maintain centralized enforcement records. KRS 433.912 establishes grounds for license suspension and revocation and provides for administrative hearings and judicial review. KRS 433.918 establishes requirements for the electronic registry of persons convicted of theft offenses involving metals, including notice and an opportunity for a hearing. KRS 433.922 requires the commission to submit an annual report to the Legislative Research Commission. KRS 433.925 requires the commission to promulgate administrative regulations implementing KRS 433.900 to 433.925. This administrative regulation establishes inspection, enforcement, hearing, registry, and reporting procedures for secondary metals recyclers.

Section 1. Definitions.

(1) "Commission" is defined by KRS 433.900.

(2) "LeadsOnline database" means the centralized database identified in KRS 433.914.

(3) "Secondary metals recycler" is defined by KRS 433.900.

Section 2. Inspections and Investigations.

(1) The commission may conduct inspections and investigations to determine compliance with KRS 433.900 to 433.925 and administrative regulations promulgated by the commission pursuant thereto.

(2) A secondary metals recycler shall permit an inspector from the commission to enter the licensed place of business during business hours to inspect:

(a) The license;

(b) Notices required by statute or administrative regulation;

(c) Notification equipment required by KRS 433.906;

(d) Records and registers required by KRS 433.920;

(e) Reports entered into the LeadsOnline database;

(f) Regulated materials required to be retained in original form, photograph, or digital image; and

(g) Other records or materials required to be maintained by statute or administrative regulation.

(3) A secondary metals recycler shall not refuse, interfere with, obstruct, or prevent an inspection authorized by this section.

Section 3. Centralized Enforcement Record.

(1) The commission shall maintain a centralized record of violations and enforcement actions taken under KRS 433.900 to 433.925 and administrative regulations promulgated by the commission pursuant thereto.

(2) The commission shall make records available to law enforcement agencies and regulatory bodies as permitted by law.

Section 4. Grounds for Disciplinary Action.

(1) The commission may deny, suspend, revoke, refuse to renew, probate, condition, or otherwise discipline a license for:

(a) Fraud, misrepresentation, or false statement contained in the license application;

(b) Fraud, misrepresentation, or false statement made while conducting business as a secondary metals recycler;

(c) A person being a fugitive or having been convicted of a criminal offense within the preceding three (3) years involving business or commercial fraud, extortion, or receiving stolen property;

(d) A condition or fact that would have resulted in denial of the original license application;

(e) Conducting business as a secondary metals recycler in an unlawful manner or in a manner that endangers public health, safety, or welfare;

(f) Failure to enter a report into the LeadsOnline database as required by KRS 433.920;

(g) Failure to maintain the register required by KRS 433.920;

(h) Failure to retain records for the period required by KRS 433.920;

(i) Failure to permit inspection by a peace officer or inspector from the commission;

(j) Failure to display a license;

(k) Failure to post a notice required by statute or administrative regulation;

(l) Failure to maintain operable notification equipment required by KRS 433.906;

(m) Purchase or receipt of articles from a person prohibited from selling articles to a secondary metals recycler;

(n) Failure to notify the commission of a change in contact information within the time required by KRS 433.906 or administrative regulation;

(o) Failure to comply with a final order of the commission; or

(p) Violation of KRS 433.892 to 433.925 or administrative regulations promulgated by the commission.

(2) If a licensee is a firm, corporation, limited liability company, partnership, limited partnership, incorporated association, or other business entity, the commission may deny, suspend, revoke, refuse to renew, probate, condition, or otherwise discipline the license based upon an act or omission of an officer, director, trustee, member, manager, partner, or other person responsible for the operation or control of the licensee if the act or omission would be cause for refusing, suspending, or revoking a license issued to that person as an individual.

(3) A licensee shall be responsible for all acts of its employees or agents while acting within the scope of employment or agency.

Section 5. Citation and Hearing Required Prior to Final Disciplinary Action.

(1) If the commission seeks to suspend, revoke, refuse to renew, probate, condition, or otherwise discipline a secondary metals recycler license, the commission shall issue a written citation to the licensee.

(2) The citation shall state:

(a) The action sought by the commission;

(b) The factual basis for the citation;

(c) The statutory or administrative regulatory provisions alleged to have been violated;

(d) The date, time, and place of the administrative hearing, or the manner in which the licensee may request an administrative hearing;

(e) That the hearing shall be conducted in accordance with KRS Chapter 13B and 605 KAR 1:131; and

(f) That failure to appear at the administrative hearing may result in the entry of a default order.

(3) A citation sent by certified mail to the business address of the licensee shown on the latest application or renewal application shall be sufficient notice.
(4) A request for continuance of the administrative hearing shall be made at least forty-eight (48) hours prior to the hearing date noticed in the citation.
(5) The commission shall not take final action to suspend, revoke, refuse to renew, probate, condition, or otherwise discipline a secondary metals recycler license until the licensee has been afforded notice and an opportunity for an administrative hearing in accordance with KRS Chapter 13B and 605 KAR 1:131.
(6) If the licensee fails to appear after notice, the commission may proceed in accordance with KRS Chapter 13B and may enter a default order.
(7) Final disciplinary action shall be taken by final order of the commission.
(8) A final order of the commission may be appealed in accordance with KRS Chapter 13B.

Section 6. Surrender of License. A secondary metals recycler whose license is revoked or suspended by final order of the commission shall immediately surrender the license to the commission.

Section 7. Hearing Procedure.
(1) A hearing under this administrative regulation shall be conducted in accordance with KRS Chapter 13B and 605 KAR 1:131.
(2) A final order of the commission may be appealed in accordance with KRS Chapter 13B.

Section 8. Electronic Registry.
(1) A law enforcement agency shall transmit to the commission, in an electronic format approved by the commission, a searchable electronic list of persons convicted of a theft offense in which metals were involved.
(2) Before submitting a person's name to the LeadsOnline database for inclusion on the registry, the commission shall give reasonable notice to the person and an opportunity to be heard.
(3) A hearing under this section shall be conducted in accordance with KRS Chapter 13B.
(4) A final order of the commission may be appealed to Franklin Circuit Court in accordance with KRS Chapter 13B.
(5) A person who has appealed inclusion on the registry shall not be prohibited from selling or giving articles to a secondary metals recycler unless a final order has been entered against the person.
(6) The commission shall give notice to secondary metals recyclers of any person who has initiated an appeal under this section.

Section 9. Annual Report.
(1) On or before June 1, 2027, and on or before June 1 of each year thereafter, the commission shall submit a report to the Legislative Research Commission for referral to the Interim Joint Committees on Judiciary and Licensing, Occupations, and Administrative Regulations.
(2) The report shall include the information required by KRS 433.922 for the preceding calendar year.

605 KAR 1:220E. Secondary metals recycler enforcement, registry, and hearing procedures.
RAY COTTRELL, Jr., Chairman

APPROVED BY AGENCY: November 17, 2026
FILED WITH LRC: November 20, 2026 at 12:10 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on January 22, 2027, at 10:00 a.m. at Room C-121, 200 Mero Street, Frankfort, Kentucky 40601. The purpose of the hearing is to receive public comments regarding the proposed administrative regulations relating to secondary metals recyclers. Individuals interested in being heard at this hearing shall notify this agency in writing at least five (5) workdays 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 regulations. A transcript of the public hearing shall 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 regulations. Written comments shall be accepted through January 31, 2027. Written notification of intent to attend the public hearing or written comments on the proposed administrative regulations shall be sent to the contact person.

CONTACT PERSON: Carlos Cassady, Executive Director, Kentucky Motor Vehicle Commission, 200 Mero Street, 3rd Floor West, Frankfort, Kentucky 40601, telephone number (502) 573-1000, facsimile number (502) 227-8082. Public comments or questions may also be directed to Amber Francis or Jessica Baskett at (502) 573-1000 or jessica.baskett@ky.gov.