

**365.406 Penalties for violation of KRS 365.402.**

- (1) If a business fails to comply with KRS 365.402 and it is the business's first violation, the business shall provide a prorated refund for the contract subject to an automatic renewal provision from the start of the most recent term to the date on which the business was notified of and corrects the error.
- (2) If the business fails to provide a prorated refund as required in subsection (1) of this section or it is a business's second or subsequent violation, the Attorney General may bring an action to obtain:
  - (a) A temporary or permanent injunction prohibiting the use of any method, act, or practice in violation of KRS 365.402;
  - (b) Restitution for consumers who are residents of this state and incurred a loss of money or property as the direct result of a violation of KRS 365.402; and
  - (c) Penalties that shall not exceed five hundred dollars (\$500) for each violation of KRS 365.402.

**Effective:** January 1, 2024

**History:** Created 2023 Ky. Acts ch. 81, sec. 4, effective January 1, 2024.