

134.490 Actions by owner of certificate of delinquency to collect or foreclose certificate -- Notice by third-party purchaser to taxpayer -- Installment payment plans. (Effective July 15, 2026)

- (1)
 - (a) Within fifty (50) days after the delivery of a certificate of delinquency by the clerk to a third-party purchaser, the third-party purchaser shall send a notice to the delinquent taxpayer informing the delinquent taxpayer that the certificate of delinquency has been purchased by the third-party purchaser.
 - (b) The third-party purchaser shall send this notice once every six (6) months until the notice required by subsection (2) of this section is sent.
 - (c) The notices included in this subsection shall be sent by certified mail with proof of mailing and include the information required by subsection (3)(d) of this section. A copy of each notice shall be sent to each mortgagee who holds a mortgage on the property that is the subject of the certificate of delinquency.
- (2) Anytime after the expiration of the one (1) year tolling period established by KRS 134.546, the third-party purchaser may institute an action to collect the amount due on a certificate of delinquency. At least forty-five (45) days before instituting a legal action, the third-party purchaser shall send a notice to the taxpayer and a copy of the notice to each mortgagee who holds a mortgage on the property by certified mail with proof of mailing. The notice shall:
 - (a) Inform the taxpayer that enforcement action will be taken;
 - (b) Include a statement advising the taxpayer that substantial additional administrative costs and fees associated with collection in addition to the amount due on the certificate of delinquency may be imposed and that collection actions may include foreclosure; and
 - (c) Include the information required by subsection (3) of this section.The notice shall be in addition to any notice sent under subsection (1) of this section.
- (3)
 - (a)
 1. For certificates of delinquency for all property except property described in paragraph (b) of this subsection, third-party purchasers or their designees shall obtain from the office of the property valuation administrator of the county in which the real property is located the most recent address for the property owner.
 2. To obtain information from the office of the property valuation administrator, the third-party purchaser shall, at the option of the property valuation administrator, either:
 - a. Obtain information from an up-to-date public access list or website offered by the property valuation administrator; or
 - b. Submit a list of addresses, map identification numbers, or parcel numbers for which updated information is requested to the property valuation administrator, who shall update his or her records with regard to the properties for which information is requested and provide the updated information to the third-party purchaser within ten (10) days.

3. For this service, the property valuation administrator may charge a fee not to exceed two dollars (\$2) for each address provided or obtained.
 4. Except as provided in paragraph (b) of this subsection, the third-party purchaser shall send the notices required by subsections (1) and (2) of this section to the address provided by the property valuation administrator. Unless the provisions of subparagraph 7. of this paragraph apply, the third-party purchaser shall not be required to send a notice to any party other than the owner of record as provided by the property valuation administrator at the time the notice is sent and the mortgagee as required by subsections (1) and (2) of this section.
 5. If, due to insufficient staffing, the property valuation administrator is unable to provide the requested information to the third-party purchaser within ten (10) days of submission, the property valuation administrator shall immediately notify the third-party purchaser, and the third-party purchaser may send the notices required by subsections (1) and (2) of this section to the address reflected in the public records of the property valuation administrator.
 6. Any notices sent pursuant to information obtained under this paragraph that are returned as undeliverable shall be re-sent by certified mail with proof of mailing addressed to the "Occupant" at the address of the property that is the subject of the certificate of delinquency. These notices shall be sent within twenty (20) days of receipt of the returned notice.
 7. If a third-party purchaser becomes aware of a more recent or more accurate address for a delinquent taxpayer that is different from the address reflected in the records of the property valuation administrator, the third-party purchaser shall send notices to the updated address in the manner required by this subsection, and shall notify the property valuation administrator of the updated address.
 8. If a third-party purchaser receives an address from the property valuation administrator during an address check after a first notice is sent and returned as undeliverable, and the address is the same as was originally provided, the third-party purchaser shall send the notice addressed to "Occupant" at the address of the property that is the subject of the certificate of delinquency in the manner required by this subsection.
- (b)
1. For certificates of delinquency relating to unmined coal, oil or gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820, third-party purchasers or their designees shall obtain from the department the most recent address for the property owner.
 2. To obtain information about a particular property, the third-party purchaser shall submit to the department a list of addresses, map identification numbers, parcel numbers, and any other information the department may require. The department shall:

- a. Update its records with regard to the properties for which information is requested; and
 - b. Provide the updated information to the third-party purchaser within ten (10) business days.
 3. For this service, the department may charge a fee not to exceed two dollars (\$2) for each address provided.
 4. The third-party purchaser shall send the notices required by subsections (1) and (2) of this section relating to unmined coal, oil or gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820 to the address provided by the department. Unless the provisions of subparagraph 5.f. of this paragraph apply, the third-party purchaser shall not be required to send a notice to any party other than the owner of record as provided by the department at the time the notice is sent and the mortgagee as required by subsections (1) and (2) of this section.
 5.
 - a. Any notice sent pursuant to subsections (1) and (2) of this section based on information obtained pursuant to this paragraph and returned as undeliverable shall be submitted to the department within ten (10) days of receipt of the returned notice.
 - b. The department shall attempt to obtain an updated address for the owner of the property subject to the certificate of delinquency from the individual or entity filing the property tax return for the property.
 - c. The individual or entity filing the property tax return shall provide an address of the property owner upon request of the department.
 - d. The department shall provide any updated address information to the third-party purchaser.
 - e. If updated information is provided, the notices shall be re-sent by certified mail with proof of mailing to the updated address of the owner within ten (10) days of the receipt of the updated information from the department.
 - f. If a third-party purchaser becomes aware of a more recent or more accurate address for a delinquent taxpayer that is different from the address reflected in the records of the department, the third-party purchaser shall send notices to the updated address in the manner required by this subsection, and shall notify the department of the updated address.
- (c) The third-party purchaser shall maintain complete and accurate records of all notices sent pursuant to this section.
- (d) The notices required by this section shall include the following information:
1. A statement that the certificate of delinquency is a lien of record against the property for which delinquent taxes are owed;
 2. A statement that the certificate bears interest at the rate provided in KRS 134.125;

3. A statement that if the certificate is not paid, it will be subject to collection as provided by law, and that collection actions may include foreclosure. The notice required by subsection (2) of this section shall also include a statement of the intent to institute legal action to collect the amount due;
 4. A complete listing of the amount due, as of the date of the notice, broken down as follows:
 - a. The purchase price of the certificate of delinquency;
 - b. Interest accrued subsequent to the purchase of the certificate of delinquency; and
 - c. Fees imposed by the third-party purchaser;
 5. If the third-party purchaser is required to register with the department as provided in KRS 134.128(3), for certificates of delinquency purchased after June 1, 2012, a statement informing the taxpayer that upon written request and the payment of a processing fee, the third-party purchaser will offer a payment plan; and
 6. Information, in a format and with content as determined by the department, detailing the provisions of the law relating to third-party purchaser fees and charges.
- (e) In addition, the notice shall provide the following information to the taxpayer:
1. The legal name of the third-party purchaser;
 2. The third-party purchaser's physical address;
 3. The third-party purchaser's mailing address for payments, if different from the physical address; and
 4. The third-party purchaser's telephone number.

If the information required by this paragraph changes, the third-party purchaser shall, within thirty (30) days of the change becoming effective, send a notice to each taxpayer by certified mail with proof of mailing with the corrected information. The third-party purchaser shall also update contact information included in the records of the county clerk within ten (10) days of the change becoming effective. Failure to send the original notice or any correction notices shall result in the suspension of the accrual of all interest and any fees incurred by the third-party purchaser after that date until proper notice is given as required by this subsection.

- (4) If a person entitled to pay a certificate of delinquency to a third-party purchaser makes payment on the certificate of delinquency to the county clerk under the conditions described in KRS 134.127(3)(d), the payment shall constitute payment in full, and no other amounts may be collected by the third-party purchaser from the person.
- (5) (a) For certificates of delinquency purchased after June 1, 2012, at the written request of a delinquent taxpayer, a third-party purchaser required to register with the department as provided in KRS 134.128(3) shall provide a monthly installment payment plan to a taxpayer.

- (b) The taxpayer and third-party purchaser shall sign an agreement detailing the terms of the installment payment plan.
 - (c) The third-party purchaser may impose a processing fee, not to exceed eight dollars (\$8) per month to offset the administrative cost of providing the payment plan. No other fees, charges, interest, or other amounts not expressly authorized by this chapter shall be charged, assessed, or collected by the third-party purchaser.
 - (d) The existence of an agreement to provide a payment plan shall not impact the right of the third-party purchaser to pursue legal action if the delinquent taxpayer fails to follow the terms of the installment payment agreement.
 - (e) Upon default of a delinquent taxpayer:
 - 1. The third-party purchaser shall retain all amounts paid, which shall be applied to the outstanding balance due; and
 - 2. The third-party purchaser shall not be required to offer the delinquent taxpayer another opportunity for an installment payment plan.
 - (f) If a third-party purchaser who was required to offer payment plans pursuant to paragraph (a) of this subsection, subsequently does not purchase a sufficient number of certificates of delinquency to require registration with the department, the third-party purchaser shall continue to offer payment plans under the conditions established by this subsection for all delinquent taxpayers whose certificates of delinquency were purchased during a period in which the third-party purchaser was required to register with the department.
 - (g) A third-party purchaser who is not required to register with the department as provided in KRS 134.128(3), or who holds certificates of delinquency purchased prior to June 1, 2012, may voluntarily offer installment payment plans to delinquent taxpayers in accordance with the provisions of this subsection.
 - (h) The department may establish additional terms and conditions for installment payment plans in an administrative regulation.
- (6) Any person to whom a third-party purchaser transfers or assigns a certificate of delinquency shall be considered a third-party purchaser under this chapter.

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History: Amended 2026 Ky. Acts ch. 161, sec. 36, effective July 15, 2026. -- Amended 2022 Ky. Acts ch. 212, sec. 65, effective July 14, 2022. -- Amended 2012 Ky. Acts ch. 161, sec. 6, effective April 23, 2012. -- Amended 2010 Ky. Acts ch. 75, sec. 8, effective April 7, 2010. -- Amended 2009 Ky. Acts ch. 10, sec. 15, effective January 1, 2010. -- Amended 2007 Ky. Acts ch. 14, sec. 5, effective June 26, 2007. -- Amended 1998 Ky. Acts ch. 209, sec. 15, effective March 30, 1998. -- Amended 1994 Ky. Acts ch. 65, sec. 5, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 27, sec. 11, effective July 13, 1990. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4149b-7.