

1 AN ACT relating to residential planned communities.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "City" means any city government, consolidated local government, urban-*
7 *county government, or unified local government; and*

8 *(b) "Planned community" means a group of residential dwellings, excluding*
9 *condominiums, composed of individual lots for which a deed, common plan,*
10 *or other legal document requires that:*

11 *1. All owners within the group become members of a homeowners'*
12 *association;*

13 *2. Owners, or the homeowners' association, hold or lease property or*
14 *facilities for the benefit of all owners within the group; or*

15 *3. Owners support by membership fees property or facilities for all*
16 *owners within the group to use.*

17 *(2) If a planned community, whether active or inactive, fails to maintain any*
18 *infrastructure, common area, storm water detention or retention area, and other*
19 *facilities that it is legally obligated to maintain, any city in which the planned*
20 *community is located may petition the Circuit Court of the jurisdiction in which*
21 *the city lies for the appointment of a receiver to manage the affairs of the*
22 *homeowners' association. Any city seeking the appointment of a receiver shall be*
23 *entitled to reimbursement of all costs, fees, and reasonable attorney's fees.*

24 *(3) The receiver shall have all the authority granted to the governing authority of the*
25 *planned community, including the ability to establish, levy, and collect fees, and*
26 *to contract for the ongoing renovation, maintenance, and upkeep of the legally*
27 *obligated infrastructure, common areas, storm water detention or retention areas,*

1 and other facilities. The receiver shall be entitled to recover reasonable costs and
2 fees for services as approved by the court.
3 (4) If any city is required to expend funds to repair, renovate, maintain, or correct
4 code violations of the infrastructure, common areas, storm water detention or
5 retention areas, or other facilities for which the homeowners' association is
6 legally responsible, the city may seek reimbursement for those costs from the
7 receiver.