

HOUSE OF REPRESENTATIVES

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2026 REGULAR SESSION
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Amend printed copy of **HB 603**

Beginning on page 1, line 3 and continuing through page 5, line 26, delete the language in its entirety and insert in lieu thereof:

"➔Section 1. KRS 64.012 is amended to read as follows:

(1) The county clerk shall receive for the following services the following fees:

(a) 1. Recording and indexing of a:

- a. Deed of trust or assignment for the benefit of creditors;
- b. Deed;
- c. Deed of assignment;
- d. File-stamped copy of documents set forth in KRS 14A.2-040(1) or (2) that have been filed first with the Secretary of State;
- e. Real estate option;
- f. Power of attorney;
- g. Revocation of power of attorney;
- h. Lease which is recordable by law;
- i. Deed of release of a mortgage or lien under KRS 382.360;
- j. United States lien;
- k. Release of a United States lien;
- l. Release of any recorded encumbrance other than state liens;

Amendment No. HFA

Rep. Rep. Lindsey Burke

Committee Amendment

Signed:

Floor Amendment

LRD Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

Doc. ID: XXXX

Not for Filing

- m. Lis pendens notice concerning proceedings in bankruptcy;
- n. Lis pendens notice;
- o. Mechanic's and artisan's lien under KRS Chapter 376;
- p. Assumed name;
- q. Notice of lien issued by the Internal Revenue Service;
- r. Notice of lien discharge issued by the Internal Revenue Service;
- s. Original, assignment, amendment, or continuation financing statement;
- t. Making a record for the establishment of a city, recording the plan or plat thereof, and all other service incident;
- u. Survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city;
- v. Recording with statutory authority for which no specific fee is set, except a military discharge;
- w. Will or other probate document pursuant to KRS Chapter 392 or 394;
- x. Court ordered name change pursuant to KRS Chapter 401;
- y. Land use restriction according to KRS 100.3681; and
- z. Filing with statutory authority for which no specific fee is set.

For all items in this paragraph[subsection] if the entire thereof does not exceed

five (5) pages \$45.00[\$33.00]

And, for all items in this paragraph[subsection] exceeding five (5) pages, for each additional page\$3.00

And, for all items in this paragraph[subsection] for each additional reference

relating to same instrument\$4.00

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2. **a.** The **forty-five dollar (\$45)**~~[thirty three dollar (\$33)]~~ fee imposed by this **paragraph**~~[subsection]~~ shall be divided as follows:

i.~~[a.]~~ Twenty-seven dollars (\$27) shall be retained by the county clerk;
and

ii.~~[b.]~~ **Eighteen dollars (\$18)**~~[Six dollars (\$6)]~~ shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.

- b.** **On January 1, 2027, and every year thereafter, the fee allowed by this paragraph shall be equal to the prior fee multiplied by the greater of:**

i. **The percent increase in the nonseasonally adjusted annual average Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, between the two (2) most recent calendar years available, as published by the United States Bureau of Labor Statistics; or**

ii. **One (1).**

- c.** **Any fee increase created by subdivision b.i. of this subparagraph shall be distributed in its entirety to the affordable housing trust fund at the same time and in the same manner as the distribution in subdivision a.ii of this subparagraph.**

- (b) For noting a security interest on a certificate of title pursuant to

KRS Chapter 186A\$12.00

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- (c) For filing the release of collateral under a financing statement and noting same upon the face of the title pursuant to KRS Chapter 186 or 186A\$5.00
- (d) Filing or recording state tax or other state liens\$5.00
- (e) Filing release of a state tax or other state lien\$5.00
- (f) Acknowledging or notarizing any deed, mortgage, power of attorney, or other written instrument required by law for recording and certifying same\$5.00
- (g) Recording plats, maps, and surveys, not exceeding 24 inches by 36 inches, per page\$40.00
- (h) Recording a bond, for each bond\$10.00
- (i) Each bond required to be taken or prepared by the clerk\$4.00
- (j) Copy of any bond when ordered\$3.00
- (k) Administering an oath and certificate thereof\$5.00
- (l) Issuing a license for which no other fee is fixed by law\$8.00
- (m) Issuing a solicitor's license\$15.00
- (n) Marriage license, indexing, recording, and issuing certificate thereof\$26.50
- (o) Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed, or discontinued, and by the applicant when it is not\$3.00
- (p) Registration of licenses for professional persons required to register with the county clerk\$10.00
- (q) Certified copy of any record\$5.00
Plus fifty cents (\$.50) per page after three (3) pages

- (r) Filing certification required by KRS 65.070(2)(a)\$5.00
- (s) Filing notification and declaration and petition of candidates
for Commonwealth's attorney.....\$200.00
- (t) Filing notification and declaration and petition of candidates for county
and independent boards of education\$20.00
- (u) Filing notification and declaration and petition of candidates for
boards of soil and water conservation districts\$20.00
- (v) Filing notification and declaration and petition of candidates for
other office\$50.00
- (w) Filing declaration of intent to be a write-in candidate for office.....\$50.00
- (x) Filing petitions for elections, other than nominating petitions\$50.00
- (y) Notarizing any signature, per signature\$2.00
- (z) Filing bond for receiving bodies under KRS 311.310\$10.00
- (aa) Noting the assignment of a certificate of delinquency and recording
and indexing the encumbrance under KRS 134.126 or 134.127\$27.00
- (ab) Filing a going-out-of-business permit under KRS 365.445\$50.00
- (ac) Filing a renewal of a going-out-of-business permit under KRS 365.445 \$50.00
- (ad) Filing and processing a transient merchant permit under KRS 365.680 . \$25.00
- (ae) Recording and indexing a real estate mortgage:
 - 1. For a mortgage that does not exceed thirty (30) pages.....~~\$63.00~~ **\$70.00**
 - 2. And, For a mortgage that exceeds thirty (30) pages, for each additional page
\$3.00
- (af) Filing or recording a lien or release of lien by a consolidated local government,
urban-county government, unified local government, or city of any class
.....\$20.00

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- (2) (a) The seventy dollar (\$70)~~[sixty three dollar (\$63)]~~ fee imposed by subsection (1)(ae) of this section shall be divided as follows:
- ~~1.(a)~~ Fifty-seven dollars (\$57) shall be retained by the county clerk; and
 - ~~2.(b)~~ Thirteen dollars (\$13)~~[Six dollars (\$6)]~~ shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.
- (b) On January 1, 2027, and every year thereafter, the fee allowed by this subsection shall be equal to the prior fee multiplied by the greater of:
1. The percent increase in the nonseasonally adjusted annual average Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, between the two (2) most recent calendar years available, as published by the United States Bureau of Labor Statistics; or
 2. One (1).
- (c) The fee increase created by paragraph (b)1. of this subsection shall be distributed in its entirety to the affordable housing trust fund at the same time and in the same manner as the distribution in paragraph (a)2. of this subsection.
- (3) (a) For services related to the permanent storage of records listed in paragraphs (a), (g), (n), and (ae) of subsection (1) of this section, the clerk shall be entitled to receive a reimbursement of ten dollars (\$10).
- (b) In counties or a county containing an urban-county government, charter county government, or unified local government:
1. This fee shall:

- a. Not be paid annually to the fiscal court under KRS 64.152;
 - b. Not be paid to the Finance and Administration Cabinet under KRS 64.345;
 - c. Be accumulated and transferred to the fiscal court or the legislative body of an urban-county government on a monthly basis within ten (10) days following the end of the month;
 - d. Be maintained by the fiscal court or the legislative body of an urban-county government in a separate bank account and accounted for in a separate fund; and
 - e. Not lapse to the general fund of the county or urban-county government.
2. The moneys accumulated from this fee shall be held in perpetuity by the fiscal court or the legislative body of an urban-county government for the county clerk's exclusive use for:
- a. Equipment related to the permanent storage of and access to records, including deed books, binders, shelves, microfilm equipment, and fireproof equipment;
 - b. Hardware for the permanent storage of and access to records, including computers, servers, and scanners;
 - c. Software for the permanent storage of and access to records, including vendor services and consumer subscription fees;
 - d. Personnel costs for the permanent storage of and access to records, including overtime costs for personnel involved in the digitization of records; and
 - e. Cloud storage and cybersecurity services for the permanent storage of and access to records.

3. Notwithstanding KRS 68.275, claims by a county clerk that are for the approved expenditures in subparagraph 2. of this paragraph shall be paid by the county judge/executive or the chief executive officer of an urban-county government by a warrant drawn on the fund and co-signed by the treasurer of the county or urban-county government.
 4. No later than July 1 of each year, each county fiscal court or legislative body of an urban-county government shall submit a report to the Legislative Research Commission detailing the receipts, expenditures, and any amounts remaining in the fund.
- (c) In a county containing a consolidated local government:
1. The fee shall not:
 - a. Be paid to the Finance and Administration Cabinet under KRS 64.345; or
 - b. Lapse to the general fund of the consolidated local government.
 2. The moneys accumulated from this fee shall be held in perpetuity by the county clerk in a separate fund to be used exclusively for:
 - a. Equipment related to the permanent storage of and access to records, including deed books, binders, shelves, microfilm equipment, and fireproof equipment;
 - b. Hardware for the permanent storage of and access to records, including computers, servers, and scanners;
 - c. Software for the permanent storage of and access to records, including vendor services and consumer subscription fees;
 - d. Personnel costs for the permanent storage of and access to records, including overtime costs for personnel involved in the digitization of records; and

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e. Cloud storage and cybersecurity services for the permanent storage of and access to records.

3. No later than July 1 of each year, the county clerk shall submit a report to the consolidated local government and the Legislative Research Commission detailing the receipts, expenditures, and any amounts remaining in the fund.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

As used in Sections 2 to 7 of this Act:

(1) "Developer" means one (1) or more persons or entities that petition a local government for the establishment of a district under Section 3 of this Act, and that are responsible for the development of residential property within a district;

(2) "Establishing ordinance" means an ordinance of a local government establishing a district under Section 3 of this Act;

(3) "Infrastructure" means:

(a) The streets, roads, bridges, sidewalks, water, wastewater, natural gas, electric, telecommunications, and storm water facilities required for the development of residential property within a district, whether located within or without the district, that benefit the properties within the district; and

(b) The land within the boundaries of the district required to be donated, dedicated, or otherwise made available to a local government for public purposes;

(4) "Infrastructure costs" means:

(a) All costs that may be capitalized under generally accepted accounting principles for purchasing, constructing, installing, and equipping infrastructure;

(b) The fees or costs imposed by a municipality or utility service provider:

1. Related to the construction or installation of infrastructure; or

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2. As a condition to the delivery of utility services to properties within a district;
and
- (c) The cost of any land required to be donated, dedicated, or otherwise made available to a governmental entity for public purposes, which land shall be valued at either the developer's demonstrated cost or, if the value of the land has subsequently been appraised, its appraised value, whichever is higher;
- (5) "Initiating petition" means a petition submitted to a local government requesting the establishment of a district under Section 3 of this Act;
- (6) "Local government" means a city, county, consolidated local government, urban-county government, charter county government, or unified local government that establishes and operates a district under Sections 2 to 7 of this Act;
- (7) "Owner" means the owner of record of a parcel of property within a district or the owner's authorized representative;
- (8) "Residential infrastructure development district" or "district" means an area that:
- (a) Is composed of five (5) or more acres of land;
- (b) Requires a capital cost to complete development that is equal to or greater than five million dollars (\$5,000,000);
- (c) Upon its complete development will have more than one-half (1/2) of its space dedicated to residential housing; and
- (d) Is established under Sections 2 to 7 of this Act; and
- (9) "Special assessment" means a special charge levied by a local government on property to finance infrastructure costs under Sections 2 to 7 of this Act.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

- (1) A residential infrastructure development district shall be established as follows:

- (a) The developer and each owner of property proposed to be included in a district shall sign an initiating petition requesting the establishment of a district, which shall be submitted to a local government. The initiating petition shall set forth:
1. The name and address of the developer;
 2. The local government to be responsible for overseeing the district;
 3. A map and description of the area to be included within the district;
 4. A list of each parcel of property to be included within the district that contains each parcel's mailing address;
 5. A site development plan for the district showing the area in the district that is anticipated to be used for residential housing;
 6. A description of the infrastructure that the developer anticipates will be necessary to complete the development and an estimated cost of that infrastructure;
 7. The cost that the developer anticipates is necessary to complete the development;
 8. The proposed rate of the special assessment to be imposed;
 9. That the developer or owner of property to be included within the district has received the approval set out in paragraph (b) of this subsection, if applicable;
and
 10. A formal request that the local government establish the district;
- (b) If a mortgage or lien encumbers a parcel of property to be included within the district, the developer or owner of the property shall obtain a signed approval from the mortgage holder or lien holder before the property may be included in the district. If the mortgage holder or lien holder does not grant the approval, the property shall not be included within the district;

(c) Upon receipt of the initiating petition a local government shall, within ninety (90) days, approve or deny the petition. The decision to approve or deny a petition is solely at the discretion of the local government. To approve a petition a local government shall:

1. Determine whether the petition contains the information required in paragraph (a) of this subsection;
2. Conduct a public hearing concerning the proposed establishment of the district, notice of which shall be provided in the usual method of providing notice of a public meeting and shall also include mailed, written notices to each property owner whose property is proposed to be included in the district; and
3. Adopt an establishing ordinance that contains:
 - a. The name and address of the developer;
 - b. The local government responsible for overseeing the district;
 - c. A map and description of the area to be included within the district;
 - d. A list of each parcel of property to be included within the district that contains each parcel's mailing addresses;
 - e. A statement that the properties in the district may be subject to a special assessment;
 - f. A description of the infrastructure that the local government has authorized to be financed via a special assessment;
 - g. A description of the method of assessing and collecting special assessments under Section 5 of this Act;
 - h. The time and manner in which the special assessment shall be paid; and
 - i. The portion of the special assessment to be retained by the local

government for the payment of administrative expenses under Section 5 of this Act; and

(d) The establishing ordinance may differ from the initiating petition, but the local government shall endeavor to negotiate with the developer and the owners of any property to be included within the district regarding differences between the initiating petition and the establishing ordinance prior to its passage.

(2) A property owner that signs a petition pursuant to subsection (1)(a) of this section shall not be permitted to remove the property owner's name from the petition.

(3) Each district established under Sections 2 to 7 of this Act shall be dissolved by the local government immediately upon the payment and discharge of all outstanding debt obligations incurred as a result of infrastructure costs for the district.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) A local government shall have the power to issue bonds, notes, or other debt obligations for the purpose of any of the following:

(a) Paying infrastructure costs identified in the establishing ordinance;

(b) Reimbursing the developer for the payment of prior infrastructure costs identified in the establishing ordinance; or

(c) Refinancing those bonds, notes, or obligations consistent with applicable law.

(2) A local government shall use revenue collected from special assessments levied under Section 5 of this Act for the payment of any bond, note, or other obligation issued pursuant to this section.

(3) The maximum term of any bonds, notes, or other debt obligations issued under this section shall not exceed thirty (30) years from the date of first issuance.

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS

FOLLOWS:

- (1) Upon the adoption of an establishing ordinance, a local government is authorized to levy special assessments against all properties located in a district. The revenue collected from special assessments shall be applied to infrastructure costs identified in the establishing ordinance and may be applied to administrative costs under subsection (4) of this section.
- (2) The local government shall determine the total costs and expenses to be paid from special assessments, and apportion those costs and expenses upon the various properties located in the district in accordance with the benefits conferred upon the properties. In determining the benefits to each property, the local government may consider factors regarding the property, including:

 - (a) Frontage to infrastructure;
 - (b) Total area; and
 - (c) Proportion that the assessed value of each property has to the total property in the district.
- (3) A local government that levies a special assessment under this section shall impose and collect the special assessment annually.
- (4) A local government may provide that up to five percent (5%) of the revenue collected from a special assessment may be used for its administrative expenses, including overhead costs associated with the collection of the special assessment.
- (5) A local government shall prepare an assessment roll that lists the address and owner of each property in the district and the assessed value of the property, and shall update the roll whenever property listed on the roll is subdivided or its value is reassessed.
- (6) If a property owner fails to pay a special assessment on or before the date determined by the local government, interest of one percent (1%) per month and a penalty of one

percent (1%) per month shall be added to the assessment.

→ SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) A special assessment, any interest accruing on the assessment, and the costs of collection of the assessment under Section 5 of this Act constitute a lien on the property upon which the assessment is levied. The lien shall be superior to a lien of any trust deed, mortgage, mechanic's lien, or other encumbrance, but shall not be superior to any lien for the payment of taxes or a lien established pursuant to KRS 65.8835.

(2) Amounts collected by a local government shall not be allocated to the payment of a special assessment until all taxes, penalties, and interest relating to ad valorem taxes imposed by any governmental entity have been paid in full.

(3) If any special assessment is or becomes delinquent and the property subject to the assessment has been sold to the local government as a result of the delinquency, redemption of that property is allowed upon payment, not later than one (1) year after the date of sale, of the full amount of assessments due, plus interest and penalties.

→ SECTION 7. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) A residential infrastructure development district may be formed by two (2) or more local governments acting jointly.

(2) Each local government acting jointly to establish a district shall enter into an interlocal agreement in accordance with KRS 65.210 to 65.300 concerning the district.

(3) Each local government acting jointly to establish a district shall follow the procedures set out in Section 3 of this Act, but may satisfy the public hearing requirement set out in subsection (1)(c)2. of Section 3 of this Act by conducting a single joint public hearing.

(4) Prior to the completion of establishing ordinances, local governments acting jointly shall

determine which local government will be responsible for the specified infrastructure costs and the collection of any special assessments authorized under Section 5 of this Act. This information shall be provided in the establishing ordinance and the interlocal agreement.

➔ SECTION 8. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Approved project" means a project for which the developer has:

1. Filed an application under subsection (6) of this section;

2. Negotiated the terms of housing incentive payments with a local government;

and

3. Commenced a housing development within a district;

(b) "Cabinet" means the Cabinet for Economic Development;

(c) "Department" means the Department for Local Government;

(d) "Housing development district" or "district" means a contiguous geographic area of not more than one thousand (1,000) acres, no more than twenty percent (20%) of which may be land zoned for agricultural use upon the adoption of an establishing ordinance, which may be within one (1) or more cities or counties, defined and created for development or revitalization purposes by an ordinance of a local government in which one (1) or more projects are proposed to be located;

(e) "Local government" means a city, county, charter county government, consolidated local government, urban-county government, or unified local government;

(f) "New construction" means the planning, design, building, or any combination of these, to erect a completely new structure never before occupied within a district;

(g) "Program" means the Housing Incentive Payment Program provided for in this section;

(h) "Project" means a housing development within a district that:

1. Contains at least fifteen (15) housing units, including multifamily and mixed-use housing; and

2. Meets the requirements set out in this section and any additional requirements adopted by an ordinance of a local government;

(i) "Revitalization" means the planning or replanning, design or redesign, acquisition, clearance, development, disposal, rehabilitation, historic preservation, or any combination of these, of a structure within a district and the preparation and use of the structure for residential purposes; and

(j) "Taxing authority" means a school district or a special purpose governmental entity having ad valorem taxing authority and operating within the jurisdiction of a local government that has established a district.

(2) (a) A local government may establish a housing development district by:

1. Adopting an ordinance containing:

a. A map and description of the area to be included within the district;

b. A description of the process by which a developer may apply to construct housing within the district;

c. A statement regarding whether development within the district is:

i. Exempt from permitting or review by the planning unit; or

ii. Subject to an alternative process for permitting or review except in no instance shall an alternative process be more stringent than the procedure utilized outside of the district for similar developments; and

- (b) The interlocal agreement shall contain the information set out in subsection (2) of this section, and each participating local government shall be required to adopt an ordinance as set out in subsection (2) of this section.
- (5) (a) In addition to a local government, any taxing authority may elect to participate in the program by its board enacting a resolution declaring its election to participate.
- (b) If a taxing authority elects to participate under paragraph (a) of this subsection, the taxing authority shall proceed to negotiate with the developer as described in subsection (6)(c) of this section.
- (6) (a) Following the creation of a district, a local government may accept applications from developers for a project.
- (b) A local government shall have the sole discretion to approve or deny an application, but a local government shall not approve a project unless it determines that the project will not commence unless the developer receives the housing incentive payment set out in subsection (7) of this section.
- (c) If a local government approves an application, it shall:
1. Negotiate with the developer to:
 - a. Determine a percentage of the property tax actually paid in any year that will be used to calculate the housing incentive payment described in subsection (7) of this section;
 - b. Set the duration of the housing incentive payments, not to exceed the maximum terms set out in subsection (7) of this section;
 - c. Define when the project shall be considered to have commenced for the purposes set out in subsection (7) of this section; and
 - d. Establish the timing for the housing incentive payments; and
 2. After agreeing to the terms set out in subparagraph 1. of this paragraph,

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transmit the application along with a document setting out those terms to the cabinet and the department.

(d) An application under this subsection shall not be required for a developer seeking to develop housing within a district if that developer is not seeking to participate in the program. An application shall only be required if a developer is seeking to participate in the program. This section shall not be construed to permit a local government to prohibit a developer from developing housing within the district that would otherwise be permissible outside of the district or in the absence of the existence of a district.

(7) A Housing Incentive Payment Program shall be administered as follows:

(a) Participating local governments and participating taxing authorities shall each award a housing incentive payment to a developer of an approved project on an annual basis for a period of up to:

1. Seven (7) years for a project involving new construction; or

2. Fifteen (15) years for a project solely involving revitalization of structures; beginning six (6) months from the commencement of the project as determined under subsection (6)(c)1.c. of this section;

(b) The annual housing incentive payment from each participating local government and taxing authority shall be calculated by first determining the total property tax that was actually paid in the preceding year to each participating local government and taxing authority for each parcel of property included in an approved project which has been issued a certificate of occupancy, and applying the percentage agreed to by the participating local governments, other taxing authorities if applicable, and the developer as set out in subparagraph (6)(c)1. of this section; and

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- (c) Any private or nonprofit entity may contribute money to a local government to award as additional housing incentive payment amounts for a project within a district.
- (8) A local area development district shall, upon the request of a local government, assist with the establishment of a district under this section and with the administration of a program under subsection (7) of this section.
- (9) (a) The cabinet shall develop and implement strategies and programs to promote awareness of a program operating under this section among businesses and employers it provides services to or conducts business with.
- (b) When the cabinet engages with a company regarding participation in any incentive or funding program administered by the cabinet, including when it initially communicates with, receives an application from, and approves funding to, any company, it shall provide to the company information regarding:
1. The program set out in this section, including a list of local governments that have established districts and implemented programs under this section; and
 2. The Certified Child Care Community Designation Program under KRS 199.891, including a list of communities that have obtained that designation.
- (c) The cabinet shall prepare and post a report to the website required in KRS 154.12-2035, on November 1 of each year, that contains a list of the local governments that have established districts and implemented programs under this section and a list of communities that have obtained the certified child care community designation under KRS 199.891, and information regarding the cabinet's engagement with companies including the total number of contacts made under paragraph (b) of this subsection.
- (10) (a) When a local government establishes a district, and no later than each September 1

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thereafter, the local government shall transmit information to the cabinet and the department including:

1. Whether the district has been established jointly with any other local government, and if so which other local governments;
2. A map and description of the area included in the district;
3. The density of housing units per acre in the district;
4. The total number of developers that have applied for participation in the program including the number approved and denied;
5. The total number of projects in the program;
6. For each approved project:
 - a. The name of the developer of the approved project;
 - b. The total assessed value of property that is a part of the approved project;
 - c. The total number of housing units that have been constructed in connection with the approved project;
 - d. The total amount of housing incentive payments that have been made in connection with the approved project;
 - e. The duration of the housing incentive payments that the local government has agreed to make to the developer;
 - f. The identity of any other taxing authority that has participated in the approved project and the total amount of housing incentive payments issued from each taxing authority; and
 - g. The identity of any private or nonprofit entities that have participated in the approved project and the total amount of housing incentive payments from each entity;

7. A running total of the amount of funds all participating local governments have expended on all approved projects within the district;
 8. A running total of the number of housing units constructed in the district by a developer that has received housing incentive payments; and
 9. Whether the local government has obtained a certified child care community designation.
- (b) Beginning November 1, 2027, the department shall submit an annual report to the Legislative Research Commission for referral to the Interim Joint Committee on Appropriations and Revenue summarizing the information it has received from local governments under paragraph (a) of this subsection.
- (c) The department may promulgate administrative regulations in accordance with KRS Chapter 13A to carry out this subsection, including the creation of a standardized form to be used by local governments to submit information.
- (d) A local government shall not be required to submit any further information on an approved project following the disbursement of the final housing incentive payment associated with that project.
- (11) This section shall not be construed to prohibit or preempt a local government from adopting any other ordinance or regulation or establishing any other program, including an incentive program, concerning housing development.

➔SECTION 9. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

- (a) "Federal poverty line" means the official poverty line defined by the United States Office of Management and Budget based on the most recent data available from the United States Bureau of the Census, in accordance with 42 U.S.C. sec. 9902(2);

- (b) "Qualified rent payments" means the monetary amounts paid by a taxpayer during the taxable year to occupy a rented dwelling within the Commonwealth and does not include:**
- 1. Advance rent payments that may be applied to a future calendar year; or**
 - 2. Security deposits that may be refunded on a later date;**
- (c) "Qualified renter" means an individual or family with a household income at or below one hundred thirty-three percent (133%) of the threshold amount;**
- (d) "Rented dwelling" means a permanent, primary residence in the Commonwealth in which a renter lives for at least six (6) months out of the year and includes:**
- 1. Single-family houses;**
 - 2. Rooms within a single-family residence;**
 - 3. Apartments;**
 - 4. Duplexes;**
 - 5. Housing cooperatives;**
 - 6. Condominiums;**
 - 7. Prefabricated homes; or**
 - 8. Any other permanent dwelling within the Commonwealth; and**
- (e) "Threshold amount" means the federal poverty line established for the qualified renter's family size.**
- (2) (a) For taxable years beginning on or after January 1, 2027, but before January 1, 2031, a qualified renter may claim a refundable credit against the tax imposed under KRS 141.020 for qualified rent payments incurred for each taxable year within which qualified rent payments are made.**
- (b) The amount of the credit allowed in paragraph (a) of this subsection shall be equal to twenty-five percent (25%) of the qualified rent payments made to occupy a rented**

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dwelling within the Commonwealth and shall not exceed one thousand dollars (\$1,000) for each taxable year.

(3) (a) The department shall provide the following information to the Legislative Research Commission for referral to the Interim Joint Committee on Appropriations and Revenue no later than November 1, 2028, and on or before each November 1 thereafter as long as the credit is claimed on any return filed:

1. The cumulative amount of credits claimed by individuals for each taxable year;
2. The cumulative number of returns that claimed the credit for each taxable year;
3. Based on the mailing address of the return, the cumulative total amount of credits claimed by county for each taxable year; and
4. Based on ranges of adjusted gross income of no larger than five thousand dollars (\$5,000), the cumulative amount of credit claimed by individuals for each adjusted gross income range for each taxable year.

(b) The information required to be reported under this section shall not be considered confidential taxpayer information and shall not be subject to KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes prohibiting disclosure or reporting of information.

➔ Section 10. KRS 141.0205 is amended to read as follows:

If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of the credits shall be determined as follows:

- (1) The nonrefundable business incentive credits against the tax imposed by KRS 141.020 shall be taken in the following order:

- (a) The limited liability entity tax credit permitted by KRS 141.0401;
- (b) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and 154.12-2088;
- (c) The qualified farming operation credit permitted by KRS 141.412;
- (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- (e) The health insurance credit permitted by KRS 141.062;
- (f) The tax paid to other states credit permitted by KRS 141.070;
- (g) The credit for hiring the unemployed permitted by KRS 141.065;
- (h) The recycling or composting equipment credit permitted by KRS 141.390;
- (i) The ~~tax~~ credit for cash contributions in investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
- (j) The research facilities credit permitted by KRS 141.395;
- (k) The employer High School Equivalency Diploma program incentive credit permitted under KRS 151B.402;
- (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- (n) The clean coal incentive credit permitted by KRS 141.428;
- (o) The ethanol credit permitted by KRS 141.4242;
- (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- (q) The energy efficiency credits permitted by KRS 141.436;
- (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- (s) The Endow Kentucky credit permitted by KRS 141.438;
- (t) The New Markets Development Program credit permitted by KRS 141.434;
- (u) The distilled spirits credit permitted by KRS 141.389;
- (v) The angel investor credit permitted by KRS 141.396;

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- (w) The film industry credit permitted by KRS 141.383 for applications approved on or after April 27, 2018, but before January 1, 2022;
 - (x) The inventory credit permitted by KRS 141.408;
 - (y) The renewable chemical production credit permitted by KRS 141.4231; and
 - (z) The qualified broadband investment~~[tax]~~ credit permitted by KRS 141.391;
- (2) After the application of the nonrefundable credits in subsection (1) of this section, the nonrefundable personal tax credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual credits permitted by KRS 141.020(3);
 - (b) The credit permitted by KRS 141.066;
 - (c) The tuition credit permitted by KRS 141.069;
 - (d) The household and dependent care credit permitted by KRS 141.067;
 - (e) The income gap credit permitted by KRS 141.066; and
 - (f) The Education Opportunity Account Program~~[tax]~~ credit permitted by KRS 141.522;
- (3) After the application of the nonrefundable credits provided for in subsection (2) of this section, the refundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual withholding tax credit permitted by KRS 141.350;
 - (b) The individual estimated tax payment credit permitted by KRS 141.305;
 - (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and 171.397(1)(b);
 - (d) The film industry~~[tax]~~ credit permitted by KRS 141.383 for applications approved prior to April 27, 2018, or on or after January 1, 2022;
 - (e) The development area~~[tax]~~ credit permitted by KRS 141.398;
 - (f) The decontamination~~[tax]~~ credit permitted by KRS 141.419;~~[and]~~

- (g) The pass-through entity tax credit permitted by KRS 141.209; **and**
- (h) The qualified rent payment credit permitted by Section 9 of this Act;**
- (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the tax imposed by KRS 141.040;
- (5) The following nonrefundable credits shall be applied against the sum of the tax imposed by KRS 141.040 after subtracting the credit provided for in subsection (4) of this section, and the tax imposed by KRS 141.0401 in the following order:
- (a) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and 154.12-2088;
- (b) The qualified farming operation credit permitted by KRS 141.412;
- (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- (d) The health insurance credit permitted by KRS 141.062;
- (e) The unemployment credit permitted by KRS 141.065;
- (f) The recycling or composting equipment credit permitted by KRS 141.390;
- (g) The coal conversion credit permitted by KRS 141.041;
- (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods ending prior to January 1, 2008;
- (i) The ~~tax~~ credit for cash contributions to investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
- (j) The research facilities credit permitted by KRS 141.395;
- (k) The employer High School Equivalency Diploma program incentive credit permitted by KRS 151B.402;
- (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- (n) The clean coal incentive credit permitted by KRS 141.428;

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- (o) The ethanol credit permitted by KRS 141.4242;
 - (p) The cellulosic ethanol credit permitted by KRS 141.4244;
 - (q) The energy efficiency credits permitted by KRS 141.436;
 - (r) The ENERGY STAR home or ENERGY STAR manufactured home credit permitted by KRS 141.437;
 - (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
 - (t) The railroad expansion credit permitted by KRS 141.386;
 - (u) The Endow Kentucky credit permitted by KRS 141.438;
 - (v) The New Markets Development Program credit permitted by KRS 141.434;
 - (w) The distilled spirits credit permitted by KRS 141.389;
 - (x) The film industry credit permitted by KRS 141.383 for applications approved on or after April 27, 2018, but before January 1, 2022;
 - (y) The inventory credit permitted by KRS 141.408;
 - (z) The renewable chemical production~~[-tax]~~ credit permitted by KRS 141.4231;
 - (aa) The Education Opportunity Account Program~~[-tax]~~ credit permitted by KRS 141.522;
and
 - (ab) The qualified broadband investment~~[-tax]~~ credit permitted by KRS 141.391; and
- (6) After the application of the nonrefundable credits in subsection (5) of this section, the refundable credits shall be taken in the following order:
- (a) The corporation estimated tax payment credit permitted by KRS 141.044;
 - (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and 171.397(1)(b);
 - (c) The film industry~~[-tax]~~ credit permitted by KRS 141.383 for applications approved prior to April 27, 2018, or on or after January 1, 2022;
 - (d) The decontamination~~[-tax]~~ credit permitted by KRS 141.419; and

(e) The pass-through entity tax credit permitted by KRS 141.209.

➔Section 11. KRS 131.190 is amended to read as follows:

- (1) No present or former commissioner or employee of the department, present or former member of a county board of assessment appeals, present or former property valuation administrator or employee, present or former secretary or employee of the Finance and Administration Cabinet, former secretary or employee of the Revenue Cabinet, or any other person, shall intentionally and without authorization inspect or divulge any information acquired by him or her of the affairs of any person, or information regarding the tax schedules, returns, or reports required to be filed with the department or other proper officer, or any information produced by a hearing or investigation, insofar as the information may have to do with the affairs of the person's business.
- (2) The prohibition established by subsection (1) of this section shall not extend to:
 - (a) Information required in prosecutions for making false reports or returns of property for taxation, or any other infraction of the tax laws;
 - (b) Any matter properly entered upon any assessment record, or in any way made a matter of public record;
 - (c) Furnishing any taxpayer or his or her properly authorized agent with information respecting his or her own return;
 - (d) Testimony provided by the commissioner or any employee of the department in any court, or the introduction as evidence of returns or reports filed with the department, in an action for violation of state or federal tax laws or in any action challenging state or federal tax laws;
 - (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or energy resources assessed under KRS 132.820, or owners of surface land under which the unmined minerals lie, factual information about the owner's property derived from

third-party returns filed for that owner's property, under the provisions of KRS 132.820, that is used to determine the owner's assessment. This information shall be provided to the owner on a confidential basis, and the owner shall be subject to the penalties provided in KRS 131.990(2). The third-party filer shall be given prior notice of any disclosure of information to the owner that was provided by the third-party filer;

- (f) Providing to a third-party purchaser pursuant to an order entered in a foreclosure action filed in a court of competent jurisdiction, factual information related to the owner or lessee of coal, oil, gas reserves, or any other mineral resources assessed under KRS 132.820. The department may promulgate an administrative regulation establishing a fee schedule for the provision of the information described in this paragraph. Any fee imposed shall not exceed the greater of the actual cost of providing the information or ten dollars (\$10);
- (g) Providing information to a licensing agency, the Transportation Cabinet, or the Kentucky Supreme Court under KRS 131.1817;
- (h) Statistics of gasoline and special fuels gallonage reported to the department under KRS 138.210 to 138.448;
- (i) Providing any utility gross receipts license tax return information that is necessary to administer the provisions of KRS 160.613 to 160.617 to applicable school districts on a confidential basis;
- (j) Providing documents, data, or other information to a third party pursuant to an order issued by a court of competent jurisdiction;
- (k) Publishing administrative writings on its official website in accordance with KRS 131.020(1)(b); or
- (l) Providing information to the Legislative Research Commission under:

1. KRS 139.519 for purposes of the sales and use tax refund on building materials used for disaster recovery;
2. KRS 141.436 for purposes of the energy efficiency products credits;
3. KRS 141.437 for purposes of the ENERGY STAR home and the ENERGY STAR manufactured home credits;
4. KRS 141.383 for purposes of the film industry incentives;
5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization credit and the job assessment fees;
6. KRS 141.068 for purposes of the Kentucky investment fund;
7. KRS 141.396 for purposes of the angel investor credit;
8. KRS 141.389 for purposes of the distilled spirits credit;
9. KRS 141.408 for purposes of the inventory credit;
10. KRS 141.390 for purposes of the recycling and composting credits;
11. KRS 141.3841 for purposes of the selling farmer credit;
12. KRS 141.4231 for purposes of the renewable chemical production credit;
13. KRS 141.524 for purposes of the Education Opportunity Account Program credit;
14. KRS 141.398 for purposes of the development area credit;
15. KRS 139.516 for purposes of the sales and use tax exemptions for the commercial mining of cryptocurrency;
16. KRS 141.419 for purposes of the decontamination credit;
17. KRS 141.391 for purposes of the qualified broadband investment credit;
18. KRS 139.499 for purposes of the sales and use tax exemptions for a qualified data center project; ~~and~~
19. KRS 139.5325 for purposes of the sales and use tax incentive for a qualifying

attraction.; and

20. Section 9 of this Act for purposes of the qualified rent payment credit.

- (3) The commissioner shall make available any information for official use only and on a confidential basis to the proper officer, agency, board or commission of this state, any Kentucky county, any Kentucky city, any other state, or the federal government, under reciprocal agreements whereby the department shall receive similar or useful information in return.
- (4) Access to and inspection of information received from the Internal Revenue Service is for department use only, and is restricted to tax administration purposes. Information received from the Internal Revenue Service shall not be made available to any other agency of state government, or any county, city, or other state, and shall not be inspected intentionally and without authorization by any present secretary or employee of the Finance and Administration Cabinet, commissioner or employee of the department, or any other person.
- (5) Statistics of crude oil as reported to the department under the crude oil excise tax requirements of KRS Chapter 137 and statistics of natural gas production as reported to the department under the natural resources severance tax requirements of KRS Chapter 143A may be made public by the department by release to the Energy and Environment Cabinet, Department for Natural Resources.
- (6) Notwithstanding any provision of law to the contrary, beginning with mine-map submissions for the 1989 tax year, the department may make public or divulge only those portions of mine maps submitted by taxpayers to the department pursuant to KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-out parcel areas. These electronic maps shall not be relied upon to determine actual boundaries of mined-out parcel areas. Property boundaries contained in mine maps required under KRS Chapters 350 and 352 shall not be construed to constitute land surveying or boundary surveys as

defined by KRS 322.010 and any administrative regulations promulgated thereto.

➔Section 12. KRS 142.400 is amended to read as follows:

- (1) As used in **KRS 142.400 to 142.408**~~[this section]~~:
 - (a) **"Department" means the Department of Revenue;**
 - (b) "Person" has the same meaning as in KRS 91A.345; and
 - ~~(c)(b)~~ "Rent" has the same meaning as in KRS 91A.345.
- (2) A statewide transient room tax shall be imposed at a rate of one percent (1%) of the rent for every occupancy of any suite, room, rooms, cabins, lodgings, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or other place in which accommodations are regularly furnished to transients for a consideration or by any person that facilitates the rental of the accommodations by brokering, coordinating, or in any other way arranging for the rental of the accommodations for consideration.
- (3) **(a) A surtax shall be imposed in addition to the tax levied in subsection (2) of this section at the rate of one percent (1%) of the rent charged by any person who facilitates the rental of the accommodation by brokering, coordinating, or in any other way arranging for the rental of the accommodation for consideration, and that person is responsible for collecting and remitting the surtax imposed under this subsection.**
 - (b) **The surtax shall not be imposed on the rental of accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campground, or recreational vehicle park.**
 - (c) **All tax receipts from the surtax imposed under this subsection shall be deposited in the affordable housing trust fund established in KRS 198A.710 to provide additional resources to fund the activities outlined in KRS 198A.715.**

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~~(4)~~~~(3)~~ As used in this section~~subsection~~, rent shall not include any other local or state taxes paid by the person or entity renting the accommodations.

~~(5)~~~~(4)~~ The tax imposed by subsection ~~(2)~~~~(1)~~ of this section and the surtax imposed by subsection (3) of this section shall not apply to rentals~~rooms, lodgings, campsites, or accommodations supplied~~ for a continuous period of thirty (30) days or more to a person.

➔Section 13. KRS 142.402 is amended to read as follows:

- (1) On or before the twentieth day of every month, a taxpayer subject to any~~the~~ tax set forth~~provided~~ in KRS 142.400 shall submit a return and any~~the~~ tax due for the preceding month to the department~~of Revenue~~, in a form prescribed by the department. To facilitate administration, the department may permit or require returns or tax payments for other periods. Upon written request received on or before the due date, the department may extend the filing or tax payment due date up to thirty (30) days.
- (2) The department~~of Revenue~~ shall examine and audit each return as soon as practicable after it is received. If the tax computed by the department is greater than the tax paid by the taxpayer, the department shall assess the excess within four (4) years from the filing deadline, including any extensions granted. If the taxpayer failed to file a return or filed a fraudulent return, then the excess may be assessed at any time.
- (3) A taxpayer may request a refund or credit for any overpayment of tax under KRS 142.400 within four (4) years after the tax due date, including any extensions granted. The request shall be made to the department~~of Revenue~~ in writing and shall state the amount requested, the applicable period, the basis for the request, and any other information the department reasonably requires.
- (4) Any tax not paid on or before its due date shall bear interest at the tax interest rate provided in KRS 131.183 from the date due until the date of payment. If an extension is granted, and the tax is not paid within the extension period, then interest shall accrue from the original

due date.

➔Section 14. KRS 142.404 is amended to read as follows:

Notwithstanding any other provision of law to the contrary, the president, vice president, secretary, treasurer, manager, partner, or any other person holding any equivalent office or position in any corporation, limited liability company, limited liability partnership, or limited liability limited partnership subject to KRS 142.400 and 142.402 shall be personally and individually liable, both jointly and severally, for the tax imposed under KRS 142.400. Dissolution, withdrawal of the corporation, limited liability company, limited liability partnership, or limited liability limited partnership from the state, or the cessation of holding any office shall not discharge the liability of any person. The liability shall attach at the time the tax or surtax becomes or became due. No person shall be held liable under this section if the person did not have authority to collect, truthfully account for, or pay over the tax or surtax at the time it became due. "Taxes" as used in this section shall include interest accrued under KRS 131.183 and all applicable penalties imposed under this chapter or KRS 131.180, 131.410 to 131.445, and 131.990.

➔Section 15. KRS 142.406 is amended to read as follows:

- (1) There is hereby created and established in the State Treasury a trust and agency account to be known as the tourism, meeting, and convention marketing fund. The fund shall be administered by the Tourism, Arts and Heritage Cabinet, with the approval of the Governor's Office for Policy and Management.
- (2) All tax receipts from the tax imposed under subsection (2) of Section 12 of this Act ~~KRS 142.400~~ shall be deposited into the tourism, meeting, and convention marketing fund, and shall be used ~~appropriated~~ for the purposes set forth in subsection (3) of this section. The fund shall also contain any other money contributed, allocated, or appropriated to it from any other source. Money in the fund shall be invested by the Finance and Administration

Cabinet in instruments authorized under KRS 42.500. Investment proceeds shall be deposited to the credit of the fund. Money in the fund shall not lapse but shall be carried forward to the next fiscal year or biennium.

- (3) The tourism, meeting, and convention marketing fund shall be used for the sole purpose of marketing and promoting tourism in the Commonwealth including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth. Marketing and promoting tourism shall not include expenditures on capital construction projects.
- (4) By September 1 of each year, the secretary of the Tourism, Arts and Heritage Cabinet shall report to the Governor and the Legislative Research Commission concerning the receipts, expenditures, and carryforwards of the fund for the preceding fiscal year.

➔Section 16. KRS 154.21-010 is amended to read as follows:

The General Assembly finds and declares that the purpose of KRS 154.21-010 to 154.21-040 is to support economic development and job growth across this Commonwealth, *including the fulfillment of housing needs*. In enacting this legislation, it is the intention of the General Assembly to enable the Cabinet for Economic Development to enter into a partnership with the Kentucky Association for Economic Development for the purposes of this program, herein known as the Kentucky Product Development Initiative, and to administer program funds to achieve this purpose.

➔Section 17. KRS 154.21-040 is amended to read as follows:

- (1) In the administration of the Kentucky Product Development Initiative, the Kentucky Association for Economic Development, via a third-party independent site selection consultant, shall develop a scoring system for the project and the project site proposed by

each grant applicant based on the total projected return on investment, key workforce characteristics, and the relative positive impact in the community.

(2) The scoring system shall include:

- (a) A score in each category as specified in subsection (3) of this section; and
- (b) A total weighted score, which is the average of the scores in each category.

(3) The scoring categories shall include but are not limited to:

- (a) Projected return on investment the project will yield, which includes an assessment of the:
 - 1. Likelihood of project completion at the applicant's proposed site, both with the cabinet's funding and without;
 - 2. Projected gross economic impact of the proposed project on the community;
 - 3. Projected number of jobs created by the proposed project and subsequent impact on the community; ~~and~~
 - 4. A determination of the cost of the job based on the cost expended by the cabinet if it awards the requested grant amount to the applicant; and
 - 5. **Projected number of housing units created by the proposed project and subsequent impact on the community;**
- (b) Key workforce characteristics, including an assessment of objective workforce data for the community in which the project is located; and
- (c) Relative positive impact the project will have on the surrounding community.

➔Section 18. KRS 198A.190 is amended to read as follows:

The corporation is authorized to accept and expend such moneys as may be appropriated from time to time by the General Assembly or such moneys as may be received from any source, including **the statewide transient room surtax imposed under subsection (3) of Section 12 of this Act and** income from the corporation's operations, for effectuating its corporate purposes

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including, without limitation, the payment of the initial expenses of administration and operation and the establishment of a reserve or contingency fund to be available for the payment of the principal of and the interest on any bonds or notes of the corporation.

➔SECTION 19. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

As used in Sections 19 to 21 of this Act:

(1) "First-generation homebuyer" means an individual:

(a) Who has not had sole ownership interest in residential real property; and

(b) Meets one (1) of the following conditions:

- 1. The individual's parents or legal guardians do not have any present or previous ownership interest in any residential real property in any state or territory of the United States or outside of the United States;*
- 2. The individual was in foster care at any time;*
- 3. The individual was an emancipated youth; or*
- 4. The individual qualifies as a homeless child or youth or an unaccompanied youth, as those terms are defined in the McKinney-Vento Homeless Assistance Act, 42 U.S.C. sec. 11434a; and*

(2) "Principal residence" means an owner occupied single-family residence, duplex, triplex, quadraplex, or unit in a multiunit residential structure in which the title to each individual unit is transferred to the owner.

➔SECTION 20. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established in the State Treasury a separate revolving account to be known as the first-generation homebuyer trust fund.

(2) The fund shall consist of moneys received from state appropriations, gifts, grants, federal

funds, and all loan repayment, interest, or other return on the investment of moneys in the fund. Separate accounts within the fund shall be established to designate origination of source for state appropriations, federal funds, and moneys received from other sources.

(3) The fund shall be administered by the Kentucky Housing Corporation.

(4) Amounts deposited in the fund shall be used as provided in Section 21 of this Act.

(5) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of fiscal year shall not lapse and shall be carried forward into the next fiscal year to be used for the purposes set forth in Section 21 of this Act.

(6) Any interest earning of the fund shall become part of the fund and shall not lapse.

➔SECTION 21. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

(1) The purpose of the first-generation homebuyer trust fund established in Section 20 of this Act shall be to provide financial assistance to eligible first-generation homebuyers in the Commonwealth to gain an ownership interest in a principal residence.

(2) The Kentucky Housing Corporation shall:

(a) Use moneys from the first-generation homebuyer trust fund to make or participate in the making of loans or grants;

(b) Operate a forgivable loan program to provide eligible first-generation homebuyers financial assistance with the costs of acquiring an ownership interest in single-family housing for principal residence.

(c) Limit participation in the forgivable loan program to eligible first-generation homebuyer applicants with a total household income equal to or less than one hundred twenty percent (120%) of the county median income where the residential real property is located;

(d) Require recipients to receive financial education and homebuyer counseling available from the Kentucky Housing Corporation or the Kentucky Financial Empowerment Commission under the direction of the State Treasurer;

(e) Require the recipients, or at least one (1) recipient, to occupy the purchased dwelling as their principal residence for at least three (3) years; and

(f) Require repayment of the loan if the property is sold within the first three (3) years of ownership, converts to nonowner occupancy, or for other reasons included in the loan document.

(3) (a) The forgivable loan program shall provide up to five thousand dollars (\$5,000) as a forgivable loan that may be used for down payment, closing costs, mortgage insurance, or interest rate buy-down.

(b) The amount of down payment assistance shall be adjusted for market conditions over time to reflect changes in the consumer price index and inflation.

(4) A person selling or otherwise making available or denying a dwelling funded under Sections 20 or 21 of this Act shall not discriminate against any buyer because of race, religion, sex, familial status, disability, or national origin.

(5) By October 1, 2027, and annually thereafter the corporation shall submit a report to the Legislative Research Commission for referral to the Interim Committee on Appropriations and Revenue on:

(a) The disposition of the first-generation homebuyer trust fund for the previous fiscal year;

(b) The impact of the down payment assistance on the total housing costs of the program recipients, and any information relevant to convey the costs and benefits of the forgivable loan program.

➔SECTION 22. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO

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READ AS FOLLOWS:

(1) As used in this section:

- (a) "Affordable" means the occupant's housing costs, including utilities, total thirty percent (30%) or less of the occupant's gross income;
- (b) "Eligible activity" means providing construction loans for development or rehabilitation of mixed-use developments or multi-unit dwellings where the residential units within the mixed-use development or multi-unit dwelling are affordable for occupants with a family income equal to or less than one hundred percent (100%) of the area median income;
- (b) "Eligible entity" means any of the following:
1. A unit of local government;
 2. A local government housing authority;
 3. Any regional or statewide housing assistance organization; or
 4. Any organization duly organized and validly existing as a corporation under the laws of the Commonwealth, any other state, or the United States whose purpose includes the development, construction, rehabilitation, or acquisition of housing;
- (c) "Mixed-use development" means a development consisting of residential units and nonresidential units in which the nonresidential units are less than fifty percent (50%) of the total square footage of the development, and are limited to the first floor of buildings that are two (2) or more stories; and
- (d) "Multi-unit dwelling" means a structure with more than two (2) separate residential units each with its own entrance.
- (2) There is hereby established in the State Treasury a revolving account to be known as the affordable housing loan pool fund. This fund shall be administered by the corporation.

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The fund shall consist of moneys received from state appropriations, gifts, grants, federal funds, and all loan repayments, interest, or other return on the investment of fund moneys under this section.

(3) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of the fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year to be used for the purposes set forth in this section.

(4) The corporation shall make loans from the fund to eligible entities to carry out eligible activities, with the following loan terms:

(a) A loan shall be for a term of no longer than forty-eight (48) months; and

(b) Interest rates shall not be greater than fifty percent (50%) of the prime rate at the time the loan is originated. However, at no time may the interest rate for a loan originated by the fund be lower than one and one-half percent (1.5%)

(5) Mixed-use developments and multi-unit dwellings funded under this section shall be deed restricted for a minimum of fifteen (15) years as follows:

(a) All units shall maintain the same demographic restrictions on residents as required by this section for initial selection; and

(b) Amendments to deed restrictions may be granted by the corporation on a case-by-case basis.

(6) All loan repayments, interest, or other return on the investment of fund moneys shall be deposited in the fund and used for eligible activities in accordance with this section.

(7) The corporation shall:

(a) Issue a public notice to eligible entities of the availability of moneys from the fund at least once per calendar year and provide a reasonable opportunity for the filing of loan applications, provided sufficient funds are available;

(b) Approve or deny properly submitted and completed loan applications within one

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hundred eighty (180) days of receipt;

(c) Approve as many loan applications as will effectively use available moneys in the fund;

(d) Approve or deny loan applications by ranking the applications competitively using criteria established by the corporation with public and stakeholder feedback; and

(e) Require at least an established percentage of all moneys in the fund to be used for mixed-use developments or multi-unit dwellings in rural areas of the Commonwealth, as defined by the corporation through administrative regulation.

(8) A person or entity shall not discriminate in the sale or rental, or otherwise making available or denying, a unit funded under this section to any buyer or renter because of race, religion, sex, familial status, disability, or national origin.

(9) The corporation may retain up to ten percent (10%) of the active project funds to cover the administrative and compliance related costs of this fund.

SECTION 23. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in Sections 23 to 25 of this Act:

(1) "Advertised for sale" means placing a commercial message in any medium that directly or indirectly aids, promotes, or assists a single-family home purchase agreement;

(2) "Affiliate" means a person, other than an individual, that wholly or substantially owns, is wholly or substantially owned by, or is under common ownership with another person;

(3) "Individual" means a human being;

(4) "Nonprofit corporation" has the same meaning as in KRS 273.161;

(5) "Person":

(a) Means a fiduciary, firm, association, partnership, limited liability company, corporation, or other business entity or group acting as a unit; and

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- (b) Does not include a governmental entity;**
- (6) "Single-family home" means a residential structure that is either a fully detached or semi-detached building or that is a row or town home that:**
- (a) Is separated from any adjacent unit by a ground-to-roof wall;**
- (b) Does not share heating or air conditioning systems or utilities; and**
- (c) Does not have other units located above or below; and**
- (7) "Small business" has the same meaning as in KRS 13A.010.**

➔SECTION 24. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

- (1) A person or its affiliates shall not purchase a single-family home in the Commonwealth of Kentucky for a purpose other than use by the person as a residence if the person, including its affiliates, owns fifty (50) or more single-family homes in the Commonwealth of Kentucky that are used primarily for rental purposes.**
- (2) This section:**
- (a) Shall not apply:**
- 1. To nonprofit corporations; or**
 - 2. When a single-family home has been advertised for sale for ninety (90) days or more, unless the purchaser qualifies as a small business, in which case this section shall not apply when a single-family home has been advertised for sale for thirty (30) days or more; and**
- (b) Applies to purchases made on or after the effective date of this Act.**

➔SECTION 25. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

- (1) A violation of Sections 23 to 25 of this Act shall be deemed to be an unfair, false, misleading, or deceptive act or practice in the conduct of trade or commerce in violation**

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of KRS 367.170.

- (2) All of the remedies, powers, and duties provided to the Attorney General or any other person under KRS 367.110 to 367.300, and the penalties provided in KRS 367.990, pertaining to acts declared unlawful by KRS 367.170, shall apply with equal force and effect to a violation of Sections 23 to 25 of this Act.
- (3) In an action arising under subsection (1) or (2) of this section, the court shall grant a motion by the Attorney General for joinder of any affiliate of a party named in the action for purposes of:
- (a) Ensuring a proper accounting regarding the total number of single-family homes owned by the named party and any affiliates; and
- (b) Permitting proper enforcement, remedies, and damages.
- (4) If a party is unable to pay an amount awarded by the court pursuant to this section, the court may find any interested party joined pursuant to subsection (3) of this section jointly and severally liable and make the award recoverable against any or all of the joined parties.

➔Section 26. KRS 367.3611 is amended to read as follows:

As used in KRS 367.3611 to 367.3629:

- (1) "Affiliate" means a legal entity that controls, is controlled by, or is under common control with another legal entity or shares common branding with another legal entity. For the purposes of this definition, "control" or "controlled" means:
- (a) Ownership of, or the power to vote, more than fifty percent (50%) of the outstanding shares of any class of voting security of a company;
- (b) Control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or
- (c) The power to exercise controlling influence over the management of a company;

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- (2) "Authenticate" means verifying through reasonable means that the consumer entitled to exercise his or her consumer rights in KRS 367.3615 is the same consumer exercising such consumer rights with respect to the personal data at issue;
- (3) **"Automated-decision system":**
- (a) **Means a computational process, including one derived from algorithms, machine learning, artificial intelligence, statistics, and other data processing techniques, that processes personal data to make a decision or facilitate human decision-making regarding surveillance pricing; and**
- (b) **Excludes word processing software, spreadsheet software, map navigation systems, web hosting, domain registration, networking, caching, website-loading, data storage, firewalls, anti-virus, anti-malware, spam- and robocall-filtering, spellchecking, calculators, database, or similar technologies, provided that these technologies do not make decisions regarding surveillance pricing;**
- (4) **"Base price" means the lowest price for a specific good or service offered by a controller to any consumer in Kentucky;**
- (5) "Biometric data" means data generated by automatic measurements of an individual's biological characteristics, such as a fingerprint, voiceprint, eye retinas, irises, or other unique biological patterns or characteristics that are used to identify a specific individual. Biometric data does not include a physical or digital photograph, a video or audio recording, or data generated therefrom, unless that data is generated to identify a specific individual or information collected, used, or stored for health care treatment, payment, or operations under HIPAA;
- ~~(6)~~(4) "Business associate" has the same meaning as established in 45 C.F.R. sec. 160.103 pursuant to HIPAA;
- ~~(7)~~(5) "Child" has the same meaning as in 15 U.S.C. sec. 6501;

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- ~~(8)~~~~(6)~~ "Consent" means a clear affirmative act signifying a consumer's freely given, specific, informed, and unambiguous agreement to process personal data relating to the consumer. Consent may include a written statement, written by electronic means or any other unambiguous affirmative action;
- ~~(9)~~~~(7)~~ "Consumer" means a natural person who is a resident of the Commonwealth of Kentucky acting only in an individual context. Consumer does not include a natural person acting in a commercial or employment context;
- ~~(10)~~~~(8)~~ "Controller" means the natural or legal person that, alone or jointly with others, determines the purpose and means of processing personal data;
- ~~(11)~~~~(9)~~ "Covered entity" has the same meaning as established in 45 C.F.R. sec. 160.103 pursuant to HIPAA;
- ~~(12)~~~~(10)~~ "Decisions that produce legal or similarly significant effects concerning a consumer" means a decision made by a controller that results in the provision or denial by the controller of financial and lending services, housing, insurance, education enrollment, criminal justice, employment opportunities, health care services, or access to basic necessities like food and water;
- ~~(13)~~~~(11)~~ "De-identified data" means data that cannot reasonably be linked to an identified or identifiable natural person or a device linked to a person;
- ~~(14)~~~~(12)~~ "Fund" means the consumer privacy fund established in KRS 367.3629;
- ~~(15)~~~~(13)~~ "Health care provider" means:
- (a) Any health facility as defined in KRS 216B.015;
 - (b) Any person or entity providing health care or health services, including those licensed, certified, or registered under, or subject to, KRS 194A.700 to 194A.729 or KRS Chapter 310, 311, 311A, 311B, 312, 313, 314, 314A, 315, 319, 319A, 319B, 319C, 320, 327, 333, 334A, or 335;

- (c) The current and former employers, officers, directors, administrators, agents, or employees of those entities listed in paragraphs (a) and (b) of this subsection; or
- (d) Any person acting within the course and scope of his or her office, employment, or agency relating to a health care provider;

(16)~~(14)~~ "Health record" means a record, other than for financial or billing purposes, relating to an individual, kept by a health care provider as a result of the professional relationship established between the health care provider and the individual;

(17)~~(15)~~ "HIPAA" means the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191;

(18)~~(16)~~ "Identified or identifiable natural person" means a person who can be readily identified directly or indirectly;

(19) ***"Individualized data" means personal data collected through electronic surveillance technology, observation, inference, or tracking of a consumer's online activity or device characteristics, including but not limited to browsing history, search history, precise geolocation data, device hardware characteristics, or operating system;***

(20)~~(17)~~ "Institution of higher education" means an educational institution which:

- (a) Admits as regular students only individuals having a certificate of graduation from a high school or the recognized equivalent of such a certificate;
- (b) Is legally authorized in this state to provide a program of education beyond high school;
- (c) Provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, a program of postgraduate or postdoctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and
- (d) Is a public or other nonprofit institution;

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(21)~~(18)~~ "Nonprofit organization" means any incorporated or unincorporated entity that:

- (a) Is operating for religious, charitable, or educational purposes; and
- (b) Does not provide net earnings to, or operate in any manner that inures to the benefit of, any officer, employee, or shareholder of the entity;

(22)~~(19)~~ "Personal data" means any information that is linked or reasonably linkable to an identified or identifiable natural person. Personal data does not include de-identified data or publicly available information;

(23)~~(20)~~ "Precise geolocation data" means information derived from technology, including but not limited to global positioning system level latitude and longitude coordinates or other mechanisms, that directly identifies the specific location of a natural person with precision and accuracy within a radius of one thousand seven hundred fifty (1,750) feet. Precise geolocation data does not include the content of communications or any data generated by or connected to advanced utility metering infrastructure systems or equipment for use by a utility;

(24)~~(21)~~ "Process" or "processing" means any operation or set of operations performed, whether by manual or automated means, on personal data or on sets of personal data, including but not limited to the collection, use, storage, disclosure, analysis, deletion, or modification of personal data;

(25)~~(22)~~ "Processor" means a natural or legal entity that processes personal data on behalf of a controller;

(26)~~(23)~~ "Profiling" means any form of automated processing performed on personal data to evaluate, analyze, or predict personal aspects related to an identified or identifiable natural person's economic situation, health, personal preferences, interests, reliability, behavior, location, or movements;

(27)~~(24)~~ "Protected health information" means the same as established in 45 C.F.R. sec.

160.103 pursuant to HIPAA;

~~(28)~~~~(25)~~ "Pseudonymous data" means personal data that cannot be attributed to a specific natural person without the use of additional information, provided that the additional information is kept separately and is subject to appropriate technical and organizational measures to ensure that the personal data is not attributed to an identified or identifiable natural person;

~~(29)~~~~(26)~~ "Publicly available information" means information that is lawfully made available through federal, state, or local government records, or information that a business has a reasonable basis to believe is lawfully made available to the general public through widely distributed media, by the consumer, or by a person to whom the consumer has disclosed the information, unless the consumer has restricted the information to a specific audience;

~~(30)~~~~(27)~~ "Sale of personal data" means the exchange of personal data for monetary consideration by the controller to a third party. Sale of personal data does not include:

- (a) The disclosure of personal data to a processor that processes the personal data on behalf of the controller;
- (b) The disclosure of personal data to a third party for purposes of providing a product or service requested by the consumer;
- (c) The disclosure or transfer of personal data to an affiliate of the controller;
- (d) The disclosure of information that the consumer:
 - 1. Intentionally made available to the general public via a channel of mass media; and
 - 2. Did not restrict to a specific audience; or
- (e) The disclosure or transfer of personal data to a third party as an asset that is part of a proposed or actual merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the controller's assets;

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~~(31)~~~~(28)~~ "Sensitive data" means a category of personal data that includes:

- (a) Personal data indicating racial or ethnic origin, religious beliefs, mental or physical health diagnosis, sexual orientation, or citizenship or immigration status;
- (b) The processing of genetic or biometric data that is processed for the purpose of uniquely identifying a specific natural person;
- (c) The personal data collected from a known child; or
- (d) Precise geolocation data;

~~(32)~~~~(29)~~ "State agency" means all departments, offices, commissions, boards, institutions, and political and corporate bodies of the state, including the offices of the clerk of the Supreme Court, clerks of the appellate courts, the several courts of the state, and the legislature, its committees, or commissions;

~~(33)~~ **"Surveillance pricing":**

- (a) Means offering or setting a customized price increase for a good or service for a specific consumer or group of consumers, based in whole or in part, on individualized data collected through electronic surveillance technology; and**
- (b) Includes the use of technological methods, systems, or tools, including but not limited to sensors, cameras, device tracking, biometric monitoring, or other forms of observation or data collection that are capable of gathering personally identifiable information about a consumer's behavior, characteristics, location, or other personal attributes, whether in physical or digital environments;**

~~(34)~~~~(30)~~ "Targeted advertising" means displaying advertisements to a consumer where the advertisement is selected based on personal data obtained or inferred from that consumer's activities over time and across nonaffiliated websites or online applications to predict that consumer's preferences or interests. "Targeted advertising" does not include:

- (a) Advertisements based on activities within a controller's own or affiliated websites or

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online applications;

- (b) Advertisements based on the context of a consumer's current search query, visit to a website, or online application;
- (c) Advertisements directed to a consumer in response to the consumer's request for information or feedback; or
- (d) Processing personal data solely for measuring or reporting advertising performance, reach, or frequency;

~~(35)~~~~(31)~~ "Third party" means a natural or legal person, public authority, agency, or body other than the consumer, controller, processor, or an affiliate of the processor or the controller; and

~~(36)~~~~(32)~~ "Trade secret" has the same meaning as in KRS 365.880.

➔Section 27. KRS 367.3617 is amended to read as follows:

(1) A controller shall:

- (a) Limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data is processed as disclosed to the consumer;
- (b) Except as otherwise provided in this section, not process personal data for purposes that are neither reasonably necessary to nor compatible with the disclosed purposes for which the personal data is processed as disclosed to the consumer, unless the controller obtains the consumer's consent;
- (c) Establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data. The data security practices shall be appropriate to the volume and nature of the personal data at issue;
- (d) Not process personal data in violation of state and federal laws that prohibit unlawful

discrimination against consumers. A controller shall not discriminate against a consumer for exercising any of the consumer rights contained in KRS 367.3615, including denying goods or services, charging different prices or rates for goods or services, or providing a different level of quality of goods and services to the consumer. However, nothing in this paragraph shall be construed to require a controller to provide a product or service that requires the personal data of a consumer that the controller does not collect or maintain, or to prohibit a controller from offering a different price, rate, level, quality, or selection of goods or services to a consumer, including offering goods or services for no fee, if the offer is related to a consumer's voluntary participation in a bona fide loyalty, rewards, premium features, discounts, or club card program;~~and~~

(e) Not process sensitive data concerning a consumer without obtaining the consumer's consent, or, in the case of the processing of sensitive data collected from a known child, process the data in accordance with the federal Children's Online Privacy Protection Act, 15 U.S.C. sec. 6501 et seq.; **and**

(f) Not engage in surveillance pricing, or offer, set, or display a price for renting residential property to a consumer using an automated-decision system that is based, in whole or in part, on individualized data. The base price for renting all residential properties shall be the same for all prospective consumers regardless of their individualized data. However, this paragraph shall not be construed to prohibit any of the following:

1. An adjustment of the base price based on a real-time, non-individualized factor, such as current market demand, inventory levels, competitor pricing, or time-of-day, provided that the adjusted price is applied uniformly to all consumers seeking to rent the residential property at that time and in that

region, regardless of the consumer's individualized data; or

2. Price differences based solely on legitimate, verifiable costs, such as different geographical zones or costs related to the method of service.

- (2) Any provision of a contract or agreement of any kind that purports to waive or limit in any way consumer rights pursuant to KRS 367.3615 shall be deemed contrary to public policy and shall be void and unenforceable.
- (3) Controllers shall provide consumers with a reasonably accessible, clear, and meaningful privacy notice that includes:
 - (a) The categories of personal data processed by the controller;
 - (b) The purpose for processing personal data;
 - (c) How consumers may exercise their consumer rights pursuant to KRS 367.3615, including how a consumer may appeal a controller's decision with regard to the consumer's request;
 - (d) The categories of personal data that the controller shares with third parties, if any; and
 - (e) The categories of third parties, if any, with whom the controller shares personal data.
- (4) If a controller sells personal data to third parties or processes personal data for targeted advertising, the controller shall clearly and conspicuously disclose such activity, as well as the manner in which a consumer may exercise the right to opt out of processing.
- (5) A controller shall establish, and shall describe in a privacy notice, one (1) or more secure and reliable means for consumers to submit a request to exercise their consumer rights under KRS 367.3615. The different ways to submit a request by a consumer shall take into account the ways in which consumers normally interact with the controller, the need for secure and reliable communication of such requests, and the ability of the controller to authenticate the identity of the consumer making the request. Controllers shall not require a

consumer to create a new account in order to exercise consumer rights pursuant to KRS 367.3615 but may require a consumer to use an existing account.

➔SECTION 28. A NEW SECTION OF KRS 383.200 TO 383.285 IS CREATED TO READ AS FOLLOWS:

(1) In an action for forcible detainer, the case shall be eligible for expungement if:

(a) 1. The case has a final disposition of dismissal;

2. Judgment was entered for the plaintiff and the defendants have paid any rent owed; or

3. Judgment was entered for all defendants; on or after the effective date of this Act; and

(b) Either:

1. The time for appeal has expired with no appeal being filed; or

2. Any appeal has become final.

(2) (a) Within seven (7) days of being eligible for expungement under this section, the clerk of the court shall provide the record to the court of original jurisdiction.

(b) The court shall review the record within seven (7) days of receipt of the record. If the record is eligible for expungement under this section, the court shall order expunged all records of the forcible detainer case in the custody of the court. The order expunging the records shall not require any action by the defendants or the plaintiff.

(3) (a) Following the entry of an order of expungement, proceedings in the matter shall be deemed never to have occurred, and the clerk of the court shall not accept any subsequent pleadings, motions, or other documents for filing in the matter.

(b) The court and consumer reporting agencies, as defined in KRS 15.800, shall delete or remove the records from their computer systems so that any electronic records

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- management system or consumer report will indicate that the records do not exist.
- (c) The court and other agencies shall reply to any inquiry that no record exists on the matter.
- (d) The person whose record is expunged shall not have to disclose the fact of the record or any matter relating to it on an application for employment, credit, or other type of application.
- (4) An order of expungement under this section shall be on a form provided by the Administrative Office of the Courts and include language directing any consumer reporting agency in possession of information related to the person and the expunged record to destroy or otherwise cease disclosure of the information upon written notice and demand.
- (5) If a motion or other document is submitted to the clerk of the court for filing in a case that is eligible for expungement under this section and the record has not been ordered expunged, the clerk of the court shall:
- (a) Accept the filing;
- (b) Notify the court; and
- (c) Suspend any further performance of the duties outlined in this section until resolution of the motion or further order of the court.
- (6) Within forty-five (45) days of entry of an order of expungement, the clerk of the court shall cause to be deleted or removed any records necessary to comply with this section.
- (7) Any data or information remaining after a record has been expunged under this section shall not contain any personally identifiable information of the parties.
- (8) For purposes of this section, "expunge" and "expungement" mean the removal or deletion of records or portions thereof by the court and other agencies which prevents the matter from appearing in a search of court records that would have otherwise

disclosed the matter had it not been ordered expunged.

➔SECTION 29. A NEW SECTION OF KRS 383.200 TO 383.285 IS CREATED TO READ AS FOLLOWS:

(1) A minor shall not be named as a defendant in an action for forcible detainer unless the minor is the primary leaseholder and the lease is not otherwise void.

(2) If a minor is named as a defendant in an action for forcible detainer in violation of this section:

(a) The minor;

(b) The minor's parent or guardian; or

(c) Any other defendant named in the order;

may petition the court at any time to expunge the name of the minor from the action.

(3) (a) If the court finds that a minor was named as a defendant in violation of this section, the court shall dismiss the minor as a party to the action. The court may direct the sealing of any documents within the record necessary to protect the privacy interests of the minor.

(b) An order dismissing a minor as a party to the action under this subsection shall not:

1. Require the reissuance of notice of a hearing for the remaining defendants;

2. Dismiss the action unless the minor was the only named defendant; or

3. Alter the time for proceedings relating to any other named defendants who have been properly served.

(4) This section shall not prevent an "all occupants" eviction or a minor from being evicted as part of an "all occupants" eviction.

➔Section 30. KRS 383.240 is amended to read as follows:

(1) Upon the return of the inquest, the court shall enter a judgment according to the inquisition

as follows:~~[, either]~~

- (a) For the plaintiff, in substance, that he or she have restitution of the premises aforesaid, and recover of the defendants his or her costs in this behalf expended;~~[or]~~
- (b) For the defendants, in substance, that they recover of the plaintiff their costs in this behalf expended; or
- (c) For the plaintiff against some of the defendants, and for the other defendants against the plaintiff, if some be found guilty and others not guilty.

(2) In an action for forcible detainer, if the case is eligible for expungement under Section 28 of this Act, the court shall give notice to the parties that:

- (a) The record will be expunged pursuant to Section 28 of this Act after the expiration of the appeal period if no appeal is filed or when any appeal is final; and
- (b) Notice of entry of the order of expungement is waived unless a written request for notice is filed in the record prior to entry of the order of expungement.

➔Section 30. KRS 383.250 is amended to read as follows:

The clerk of the court shall carefully preserve all papers, records, files, and proceedings~~[]~~ relating to the cause~~;~~ and shall deliver, to any person requiring it, a transcript thereof~~].~~

➔Section 31. KRS 367.310 is amended to read as follows:

~~A~~~~No~~ consumer reporting agency shall not maintain any information in its files relating to any:

(1) Charge in a criminal case~~[]~~ in any court of this Commonwealth, unless the charge has resulted in a conviction;or

(2) Dismissed forcible detainer action in any court of this Commonwealth.

➔Section 32. KRS 383.500 is repealed, reenacted, and amended to read as follows:

The General Assembly hereby enacts and applies statewide~~[authorizes cities, counties and urban county governments to enact the provisions of]~~ the Uniform Residential Landlord and Tenant Act as set forth in KRS 383.505 to 383.715~~[383.705].~~~~[If adopted, these provisions shall~~

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~~be adopted in their entirety and without amendment.]~~ No other ordinance shall be enacted ***or retained*** by a city, county, ~~[or]~~ urban-county government, ***consolidated local government, charter county government, or unified local government*** which relates to the subjects embraced in KRS 383.505 to ***383.715***~~[383.705]~~.

➔Section 33. KRS 383.505 is repealed and reenacted to read as follows:

- (1) KRS 383.505 to 383.715 shall be liberally construed and applied to promote its underlying purposes and policies.
- (2) Underlying purposes and policies of KRS 383.505 to 383.715 are:
 - (a) To encourage landlords and tenants to maintain and improve the quality of housing; and
 - (b) To make uniform the law with respect to the subject of KRS 383.505 to 383.715 among those states which enact it.

➔Section 34. KRS 383.510 is repealed and reenacted to read as follows:

Unless displaced by the provisions of KRS 383.505 to 383.715, the principles of law and equity, including the law relating to capacity to contract, mutuality of obligations, principal and agent, real property, public health, safety and fire prevention, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, or other validating or invalidating cause supplement its provisions.

➔Section 35. KRS 383.515 is repealed and reenacted to read as follows:

KRS 383.505 to 383.715 being a general act intended as a unified coverage of its subject matter, no part of it is to be construed as impliedly repealed by subsequent legislation if that construction can reasonably be avoided.

➔Section 36. KRS 383.520 is repealed and reenacted to read as follows:

- (1) The remedies provided by KRS 383.505 to 383.715 shall be so administered that an aggrieved party may recover appropriate damages. The aggrieved party has a duty to

mitigate damages.

- (2) Any right or obligation declared by KRS 383.505 to 383.715 is enforceable by action unless the provision declaring it specifies a different and limited effect.

➔Section 37. KRS 383.525 is repealed and reenacted to read as follows:

A claim or right arising under KRS 383.505 to 383.715 or on a rental agreement, if disputed in good faith, may be settled by agreement.

➔Section 38. KRS 383.535 is repealed, reenacted, and amended to read as follows:

The following arrangements are not governed by KRS 383.505 to 383.715:

- (1) Residence at an institution, public or private, if incidental to detention or the provision of medical, geriatric, educational counseling, religious, or similar service.
- (2) Occupancy under a contract of sale of a dwelling unit or the property of which it is a part, if the occupant is the purchaser or a person who succeeds to his or her interest.
- (3) Occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of the organization.
- (4) Transient occupancy in a hotel, or motel, or lodgings subject to state transient lodgings or room occupancy excise tax act.
- (5) Occupancy by an employee of a landlord whose right to occupancy is conditional upon employment in and about the premises.
- (6) Occupancy by an owner of a condominium unit or a holder of a proprietary lease in a cooperative.
- (7) Occupancy of a dwelling unit located on land devoted to the production of livestock, livestock products, poultry, poultry products or the growing of tobacco or other crops including timber.

➔Section 39. KRS 383.540 is repealed, reenacted, and amended to read as follows:

- (1) The District Courts of this state may exercise jurisdiction over any landlord or tenant with

respect to any conduct in this state governed by KRS 383.505 to 383.715 or with respect to any claim arising from a transaction subject to KRS 383.505 to 383.715. In addition to any other method provided by rule or by statute, personal jurisdiction over a landlord or tenant may be acquired in a civil action or proceeding instituted in the court by the service of process in the manner provided by this section.

- (2) If a landlord is not a resident of this state or is a corporation not authorized to do business in this state and engages in any conduct in this state governed by KRS 383.505 to 383.715, or engages in a transaction subject to KRS 383.505 to 383.715, he or she may designate an agent upon whom service of process may be made in this state. The agent shall be a resident of this state or a corporation authorized to do business in this state. The designation shall be in writing and filed with the Secretary of State. If no designation is made and filed or if process cannot be served in this state upon the designated agent, process may be served upon the Secretary of State, but service upon him or her is not effective unless the plaintiff or petitioner forthwith mails a copy of the process and pleading by registered or certified mail to the defendant or respondent at his or her last reasonably ascertainable address. An affidavit of compliance with this section shall be filed with the clerk of the court on or before the return day of the process, if any, or within any further time the court allows.

➔Section 40. KRS 383.545 is repealed, reenacted, and amended to read as follows:

Subject to additional definitions contained in subsequent sections of KRS 383.505 to 383.715 which apply to specific sections or paragraphs thereof, and unless the context otherwise requires:

- (1) "Action" includes recoupment, counterclaim, set-off suit in equity, and any other proceeding in which rights are determined, including an action for possession;[+]
- (2) "Building and housing codes" include any law, ordinance, or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy,

- use, or appearance of any premises or dwelling unit;{+}
- (3) "Dwelling unit" means a structure or the part of a structure that is used as a home, residence, or sleeping place by one (1) person who maintains a household or by two (2) or more persons who maintain a common household;{+}
- (4) "Good faith" means honesty in fact in the conduct of the transaction concerned;{+}
- (5) "Landlord" means the owners, lessor, or sublessor of the dwelling unit or the building of which it is a part, and it also means a manager of the premises who fails to disclose as required by KRS 383.585;{+}
- (6) "Organization" includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, two (2) or more persons having a joint or common interest, and any other legal or commercial entity;{+}
- (7) "Owner" means one (1) or more persons, jointly or severally, in whom is vested all or part of the legal title to property or all or part of the beneficial ownership and a right to present use and enjoyment of the premises. The term includes a mortgagee in possession;{+}
- (8) "Person" includes an individual or organization;{+}
- (9) "Premises" means a dwelling unit and the structure of which it is a part and facilities and appurtenances therein and grounds, areas, and facilities held out for the use of tenants generally or whose use is promised to the tenant;{+}
- (10) "Rent" means all payments except a security deposit as defined in this section to be made to the landlord under the rental agreement;{+}
- (11) "Rental agreement" means all agreements, written or oral, and valid rules and regulations adopted under KRS 383.610 embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises;{+}
- (12) "Roomer" or "boarder" means a tenant occupying a dwelling unit:
- (a) Which lacks at least one (1) major bathroom facility or kitchen facility, such as a

- toilet, refrigerator, or a stove; and
- (b) In a building where one (1) or more such major facilities are supplied to be used in common by the occupants of the tenant's dwelling unit and by the occupants of one (1) or more other dwelling units; and
- (c) In a building in which the landlord resides; ~~[-]~~
- (13) "Security deposit" means an escrow payment made to the landlord under the rental agreement for the purpose of securing the landlord against financial loss due to damage to the premises occasioned by the tenant's occupancy other than ordinary wear and tear; ~~[-]~~
- (14) "Single family residence" means a structure maintained and used as a single dwelling unit. Notwithstanding that a dwelling unit shares one (1) or more walls with another dwelling unit, it is a single family residence if it has direct access to a street or thoroughfare and shares neither heating facilities, hot water equipment, nor any other essential facility or service with any other dwelling unit; ~~[-]~~
- (15) "Tenant" means a person entitled under a rental agreement to occupy a dwelling unit to the exclusion of others; ~~[-]~~
- (16) "Unconscionable" means an act or conduct which is willful and is so harsh and unjust as would be condemned or considered to be wrongful and would be shocking to the conscience of honest and fair-minded persons; and ~~[-]~~
- (17) "Willful" means with deliberate intention, not accidentally or inadvertently, and done according to a purpose.

➔Section 41. KRS 383.550 is repealed and reenacted to read as follows:

Every duty under KRS 383.505 to 383.715 and every act which must be performed as a condition precedent to the exercise of a right or remedy under KRS 383.505 to 383.715 imposes an obligation of good faith in its performance or enforcement.

➔Section 42. KRS 383.555 is repealed, reenacted, and amended to read as follows:

- (1) If the court, as a matter of law, finds:
 - (a) A rental agreement or any provision thereof was unconscionable when made, the court may refuse to enforce the agreement, enforce the remainder of the agreement without the unconscionable provision, or limit the application of any unconscionable provision to avoid an unconscionable result; or
 - (b) A settlement in which a party waives or agrees to forgo~~[forego]~~ a claim or right under KRS 383.505 to 383.715 or under a rental agreement was unconscionable when made, the court may refuse to enforce the settlement, enforce the remainder of the settlement without the unconscionable provision, or limit the application of any unconscionable provision to avoid an unconscionable result.
- (2) If unconscionability is put into issue by a party or by the court upon its own motion, the parties shall be afforded a reasonable opportunity to present evidence as to the setting, purpose, and effect of the rental agreement or settlement to aid the court in making the determination.

➔Section 43. KRS 383.560 is repealed, reenacted, and amended to read as follows:

- (1) A person has notice of a fact if:
 - (a) He or she has actual knowledge of it;
 - (b) He or she has received a notice or notification of it; or
 - (c) From all the facts and circumstances known to him or her at the time in question he or she has reason to know that it exists.
- (2) A person knows or has knowledge of a fact if he or she has actual knowledge of it.
- (3) A person notifies or gives a notice or notification to another person by taking steps reasonably calculated to inform the other in ordinary course whether or not the other actually comes to know of it. A person receives a notice or notification when:
 - (a) It comes to his or her attention; or

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- (b) In the case of the landlord, it is delivered in writing at the place of business of the landlord through which the rental agreement was made or at any place held out by him or her as the place for receipt of the communications, or mailed by certified mail to him or her at his or her place of business or at any place held out by him or her as the place for receipt of any communication;
- (c) In the case of the tenant, it is delivered in hand to the tenant or mailed by registered or certified mail to him or her at the place held out by him or her as the place for receipt of the communication, or in the absence of such designation, to his or her last known place of residence.
- (4) Notice, knowledge, or a notice or notification received by an organization is effective for a particular transaction from the time it is brought to the attention of the individual conducting that transaction, and in any event from the time it would have been brought to his or her attention if the organization had exercised reasonable diligence.

➔Section 44. KRS 383.565 is repealed and reenacted to read as follows:

- (1) A landlord and a tenant may include in a rental agreement terms and conditions not prohibited by KRS 383.505 to 383.715 or other rule of law, including rent, term of the agreement, and other provisions governing the rights and obligations of the parties.
- (2) Rent is payable without demand or notice at the time and place agreed upon by the parties. Unless otherwise agreed, rent is payable at the dwelling unit and periodic rent is payable at the beginning of any term of one (1) month or less and otherwise in equal monthly installments at the beginning of each month. Unless otherwise agreed, rent is uniformly apportionable from day-to-day.
- (3) Unless the rental agreement fixes a definite term, the tenancy is week-to-week in case of a roomer who pays weekly rent, and in all other cases month-to-month.

➔Section 45. KRS 383.570 is repealed, reenacted, and amended to read as follows:

- (1) A rental agreement may not provide that the tenant:
 - (a) Agrees to waive or forgo~~forego~~ rights or remedies under KRS 383.505 to 383.715;
 - (b) Authorizes any person to confess judgment on a claim arising out of the rental agreement;
 - (c) Agrees to pay the landlord's attorney's fees; or
 - (d) Agrees to the exculpation or limitation of any liability of the landlord arising under law or to indemnify the landlord for that liability or the costs connected therewith.
- (2) A provision prohibited by subsection (1) of this section included in a rental agreement is unenforceable.

➔Section 46. KRS 383.575 is repealed and reenacted to read as follows:

A rental agreement, assignment, conveyance, trust deed, or security instrument may not permit the receipt of rent free of the obligation to comply with KRS 383.595(1).

➔Section 47. KRS 383.580 is repealed, reenacted, and amended to read as follows:

- (1) All landlords of residential property requiring security deposits prior to occupancy shall be required to deposit all tenants' security deposits in an account used only for that purpose, in any bank or other lending institution subject to regulation by the Commonwealth of Kentucky or any agency of the United States government. Prospective tenants shall be informed of the location of the separate account and the account number.
- (2) Prior to tendering any consideration deemed to be a security deposit, the prospective tenant shall be presented with a comprehensive listing of any then-existing damage to the unit which would be the basis for a charge against the security deposit and the estimated dollar cost of repairing such damage. The tenant shall have the right to inspect the premises to ascertain the accuracy of such listing prior to taking occupancy. The landlord and the tenant shall sign the listing, which signatures shall be conclusive evidence of the accuracy of such listing, but shall not be construed to be conclusive to latent defects. If the tenant

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- shall refuse to sign such listing, he or she shall state specifically in writing the items on the list to which he or she dissents, and shall sign such statement of dissent.
- (3) At the termination of occupancy, the landlord shall inspect the premises and compile a comprehensive listing of any damage to the unit which is the basis for any charge against the security deposit and the estimated dollar cost of repairing such damage. The tenant shall then have the right to inspect the premises to ascertain the accuracy of such listing. The landlord and the tenant shall sign the listing, which signatures shall be conclusive evidence of the accuracy of such listing. If the tenant shall refuse to sign such listing, he or she shall state specifically in writing the items on the list to which he or she dissents, and shall sign such statement of dissent.
- (4) No landlord shall be entitled to retain any portion of a security deposit if the security deposit was not deposited in a separate account as required by subsection (1) of this section and if the initial and final damage listings required by subsections (2) and (3) of this section are not provided.
- (5) A tenant who disputes the accuracy of the final damage listing given pursuant to subsection (3) of this section may bring an action in District Court. Tenant's claim shall be limited to those items from which the tenant specifically dissented in accordance with the provisions of subsection (3) of this section, or except as otherwise provided, and if the tenant shall fail to sign the listing or specifically dissent in accordance with subsection (3) of this section, the tenant shall not be entitled to recover any damages under this section.
- (6) In the event a tenant leaves not paying his or her last month's rent and does not demand a return of his or her deposit, the landlord may, after thirty (30) days, remove the deposit from the account and apply any such excess to the debt owing.
- (7) In the event the tenant leaves not owing rent and having any refund due, the landlord shall send notification to the last known or reasonably determinable address, of the amount of

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any refund due the tenant. In the event the landlord shall not have received a response from the tenant within sixty (60) days from the sending of such notification, the landlord may remove the deposit from the account and retain it free from any claim of the tenant or any person claiming in his behalf.

➔Section 48. KRS 383.585 is repealed, reenacted, and amended to read as follows:

- (1) A landlord or any person authorized to enter into a rental agreement on his or her behalf shall disclose to the tenant in writing at or before the commencement of the tenancy the name and address of:
 - (a) The person authorized to manage the premises; and
 - (b) An owner of the premises or a person authorized to act for and on behalf of the owner for the purpose of service of process and receiving and receipting for notices and demands.
- (2) The information required to be furnished by this section shall be kept current and this section extends to and is enforceable against any successor landlord, owner, or manager.
- (3) A person who fails to comply with subsection (1) of this section becomes an agent of each person who is a landlord for:
 - (a) Service of process and receiving and receipting for notices and demands; and
 - (b) Performing the obligations of the landlord under KRS 383.505 to 383.715 and under the rental agreement and expending or making available for the purpose all rent collected from the premises.

➔Section 49. KRS 383.590 is repealed and reenacted to read as follows:

At the commencement of the term a landlord shall deliver possession of the premises to the tenant in compliance with the rental agreement and KRS 383.595. The landlord may bring an action for possession against any person wrongfully in possession and may recover the damages provided in KRS 383.695(4).

➔Section 50. KRS 383.595 is repealed, reenacted, and amended to read as follows:

- (1) A landlord shall:
 - (a) Comply with the requirements of applicable building and housing codes materially affecting health and safety;
 - (b) Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition;
 - (c) Keep all common areas of the premises in a clean and safe condition;
 - (d) Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators, supplied or required to be supplied by him or her; and
 - (e) Supply running water and reasonable amounts of hot water at all times and reasonable heat between October 1 and May 1 except where the building that includes the dwelling unit is not required by law to be equipped for that purpose, or the dwelling unit is so constructed that heat or hot water is generated by an installation within the exclusive control of the tenant and supplied by a direct public utility connection.
- (2) If the duty imposed by ~~paragraph (a) of~~ subsection (1) **(a) of this section** is greater than any duty imposed by any other paragraph of that subsection, the landlord's duty shall be determined by reference to ~~paragraph (a) of~~ subsection (1) **(a) of this section**.
- (3) The landlord and tenant of a single family residence may agree in writing that the tenant perform the landlord's duties specified in ~~paragraph (e) of~~ subsection (1) **(e) of this section** and also specified repairs, maintenance tasks, alterations, and remodeling, but only if the transaction is entered into in good faith and not for the purpose of evading the obligations of the landlord.
- (4) The landlord and tenant of any dwelling unit other than a single family residency may

agree that the tenant is to perform specified repairs, maintenance tasks, alterations, or remodeling only if:

- (a) The agreement of the parties is entered into in good faith and not for the purpose of evading the obligations of the landlord and is set forth in a separate writing signed by the parties and supported by adequate consideration;
- (b) The work is not necessary to cure noncompliance with subsection (1)(a) of this section; and
- (c) The agreement does not diminish or affect the obligation of the landlord to other tenants in the premises.

➔Section 51. KRS 383.600 is repealed, reenacted, and amended to read as follows:

- (1) Unless otherwise agreed, a landlord who conveys premises that include a dwelling unit subject to a rental agreement in a good faith sale to a bona fide purchaser is relieved of liability under the rental agreement and KRS 383.505 to 383.715 as to events occurring after written notice to the tenant of the conveyance.
- (2) Unless otherwise agreed, a manager of premises that include a dwelling unit is relieved of liability under the rental agreement and KRS 383.505 to 383.715 as to events occurring after written notice to the tenant of the termination of his or her management.

➔Section 52. KRS 383.605 is repealed, reenacted, and amended to read as follows:

A tenant shall:

- (1) Comply with all obligations primarily imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety;
- (2) Keep that part of the premises that he or she occupies and uses as clean and safe as the condition of the premises permit;
- (3) Dispose from his or her dwelling unit all ashes, garbage, rubbish, and other waste in a clean and safe manner;

- (4) Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits;
- (5) Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances including elevators in the premises;
- (6) Not deliberately or negligently destroy, deface, damage, impair or remove any part of the premises or knowingly permit any person to do so; and
- (7) Conduct himself or herself and require other persons on the premises with his or her consent to conduct themselves in a manner that will not disturb his or her neighbors' peaceful enjoyment of the premises.

➔Section 53. KRS 383.610 is repealed, reenacted, and amended to read as follows:

- (1) A landlord, from time to time, may adopt a rule or regulation, however described, concerning the tenant's use and occupancy of the premises. It is enforceable against the tenant only if:
 - (a) Its purpose is to promote the convenience, safety, or welfare of the tenants in the premises, preserve the landlord's property from abusive use, or make a fair distribution of services and facilities held out for the tenants generally;
 - (b) It is reasonably related to the purpose for which it is adopted;
 - (c) It applies to all tenants in the premises in a fair manner;
 - (d) It is sufficiently explicit in its prohibition, direction, or limitation of the tenant's conduct to fairly inform him or her of what he or she must or must not do to comply;
 - (e) It is not for the purpose of evading the obligations of the landlord; and
 - (f) The tenant has notice of it at the time he or she enters into the rental agreement, or when it is adopted.
- (2) If a rule or regulation is adopted after the tenant enters into the rental agreement that works a substantial modification of his or her bargain it is not valid unless the tenant consents to

it in writing.

➔Section 54. KRS 383.615 is repealed, reenacted, and amended to read as follows:

- (1) A tenant shall not unreasonably withhold consent to the landlord to enter into the dwelling unit in order to inspect the premises, make necessary or agreed repairs, decorations, alterations, or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workmen, or contractors.
- (2) A landlord may enter the dwelling unit without consent of the tenant in case of emergency.
- (3) A landlord shall not abuse the right of access or use it to harass the tenant. Except in case of emergency or unless it is impracticable to do so, the landlord shall give the tenant at least two (2) days' notice of his or her intent to enter and may enter only at reasonable times.
- (4) A landlord has no other right of access except:
 - (a) Pursuant to court order;
 - (b) As permitted by KRS 383.665 and 383.670(2); or
 - (c) Unless the tenant has abandoned or surrendered the premises.

➔Section 55. KRS 383.620 is repealed, reenacted, and amended to read as follows:

Unless otherwise agreed, a tenant shall occupy his or her dwelling unit only as a dwelling unit. The rental agreement may require that the tenant notify the landlord of any anticipated extended absence from the premises in excess of seven (7) days no later than the first day of the extended absence.

➔Section 56. KRS 383.625 is repealed, reenacted, and amended to read as follows:

- (1) Except as provided in KRS 383.505 to 383.715, if there is a material noncompliance by the landlord with the rental agreement or a noncompliance with KRS 383.595 materially affecting health and safety, the tenant may deliver a written notice to the landlord specifying the acts and omissions constituting the breach and that the rental agreement will

terminate upon a date not less than thirty (30) days after receipt of the notice if the breach is not remedied in fourteen (14) days, and the rental agreement shall terminate as provided in the notice subject to the following:

- (a) If the breach is remediable by repairs, the payment of damages or otherwise and the landlord adequately remedies the breach before the date specified in the notice, the rental agreement shall not terminate by reason of the breach.
 - (b) If substantially the same act or omission which constituted a prior noncompliance covered by subsection (1) of this section of which notice was given recurs within six (6) months, the tenant may terminate the rental agreement upon at least fourteen (14) days' written notice specifying the breach and the date of termination of the rental agreement.
 - (c) The tenant may not terminate for a condition caused by the deliberate or negligent act or omission of the tenant, a member of his or her family, or other person on the premises with his or her consent.
- (2) Except as provided in KRS 383.505 to 383.715, the tenant may recover damages and obtain injunctive relief for any noncompliance by the landlord with the rental agreement of KRS 383.595.
 - (3) The remedy provided in subsection (2) of this section is in addition to any right of the tenant arising under subsection (1) of this section.
 - (4) If the rental agreement is terminated, the landlord shall return all prepaid rent.
- ➔Section 57. KRS 383.630 is repealed, reenacted, and amended to read as follows:
- (1) If the landlord fails to deliver possession of the dwelling unit to the tenant as provided in KRS 383.590, rent abates until possession is delivered and the tenant may:
 - (a) Terminate the rental agreement upon at least five (5) days' written notice to the landlord and upon termination the landlord shall return all prepaid rent and damage

fee; or

- (b) Demand performance of the rental agreement by the landlord and, if the tenant elects, maintain an action for possession of the dwelling unit against the landlord or any person wrongfully in possession and recover the damages sustained by him or her.
- (2) If a person's failure to deliver possession is willful and not in good faith, an aggrieved person may recover from that person an amount not more than three (3) months' periodic rent or threefold the actual damages sustained, whichever is greater, and reasonable attorney's fees.

➔Section 58. KRS 383.635 is repealed, reenacted, and amended to read as follows:

- (1) If the landlord willfully and materially fails to comply with the rental agreement or fails to comply with KRS 383.595 and such noncompliance materially affects health and safety and the reasonable cost of compliance is less than one hundred dollars (\$100), or an amount equal to one-half (1/2) of the monthly rent, whichever amount is greater, the tenant may notify the landlord of his or her intention to correct the condition at the landlord's expense. If the landlord willfully fails to comply within fourteen (14) days after being notified by the tenant in writing or as promptly as conditions require in case of emergency, the tenant may cause the work to be done in a workmanlike manner and, after submitting to the landlord an itemized statement for the work actually done and for which the tenant has paid in full, deduct from his or her rent the actual and reasonable cost or the fair and reasonable value of the work, not exceeding the amount specified in this subsection.
- (2) A tenant may not repair at the landlord's expense if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of his or her family, or other person on the premises with his or her consent.

➔Section 59. KRS 383.640 is repealed, reenacted, and amended to read as follows:

- (1) If, contrary to the rental agreement of KRS 383.595, the landlord willfully fails to supply

heat, running water, hot water, electric, gas, or other essential service, the tenant may give written notice to the landlord specifying the breach and may:

- (a) Procure reasonable amounts of heat, hot water, running water, electric, gas, and the essential service during the period of the landlord's noncompliance and deduct their actual and reasonable cost from the rent;
 - (b) Recover damages based upon the diminution in the fair rental value of the dwelling unit; or
 - (c) Procure reasonable substitute housing during the period of the landlord's noncompliance, in which case the tenant is excused from paying rent for the period of the landlord's noncompliance.
- (2) In addition to a remedy provided in ~~paragraph (c) of~~ subsection (1) **(c) of this section** the tenant may recover reasonable attorney's fees.
- (3) If the tenant proceeds under this section, he **or she** may not proceed under KRS 383.625 or 383.635 as to that breach.
- (4) Rights of the tenant under this section do not arise until he **or she** has given notice to the landlord or if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of his **or her** family, or other person on the premises with his **or her** consent.

➔Section 60. KRS 383.645 is repealed, reenacted, and amended to read as follows:

- (1) In an action for possession based upon nonpayment of the rent or in an action for rent when the tenant is in possession, the tenant may counterclaim for any amount he **or she** may recover under the rental agreement of KRS 383.565. In that event the court from time to time may order the tenant to pay into court all or part of the rent accrued and thereafter accruing, and shall determine the amount due to each party. The party to whom a net amount is owed shall be paid first from the money paid into court, and the balance by the

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other party. If no rent remains due after application of this section, judgment shall be entered for the tenant in the action for possession. If the defense or counterclaim by the tenant is without merit and is not raised in good faith, the landlord may recover reasonable attorney's fees.

- (2) In an action for rent when the tenant is not in possession, he or she may counterclaim as provided in subsection (1) of this section but is not required to pay any rent into court.

➔Section 61. KRS 383.650 is repealed and reenacted to read as follows:

- (1) If the dwelling unit or premises are damaged or destroyed by fire or casualty or so injured by the elements, act of God, or other cause to an extent that enjoyment of the dwelling unit is substantially impaired, the tenant or the landlord may terminate the rental agreement upon fourteen (14) days' notice; however, the tenant may immediately vacate the premises.
- (2) If the rental agreement is terminated under provision of this section the landlord shall return all the unused portion of the prepaid rent. Accounting for rent in the event of termination or apportionment shall be made as of the date of the casualty.

➔Section 62. KRS 383.655 is repealed and reenacted to read as follows:

If a landlord unlawfully removes or excludes the tenant from the premises or willfully diminishes services to the tenant by interrupting or causing the interruption of heat, running water, hot water, electric, gas, or other essential service, the tenant may recover possession or terminate the rental agreement and, in either case, recover an amount not more than three (3) months periodic rent and a reasonable attorney's fee. If the rental agreement is terminated, the landlord shall return all prepaid rent.

➔Section 63. KRS 383.660 is repealed, reenacted, and amended to read as follows:

- (1) Except as provided in KRS 383.505 to 383.715, if there is a material noncompliance by the tenant with the rental agreement or a material noncompliance with KRS 383.605 or 383.610, the landlord may deliver a written notice to the tenant specifying the acts and

omissions constituting the breach and that the rental agreement will terminate upon a date not less than fourteen (14) days after receipt of the notice. If the breach is not remedied in fifteen (15) days, the rental agreement shall terminate as provided in the notice subject to the following. If the breach is remediable by repairs or the payment of damages or otherwise and the tenant adequately remedies the breach before the date specified in the notice, the rental agreement shall not terminate. If substantially the same act or omission which constituted a prior noncompliance of which notice was given recurs within six (6) months, the landlord may terminate the rental agreement upon at least fourteen (14) days' written notice specifying the breach and the date of termination of the rental agreement.

- (2) If rent is unpaid when due and the tenant fails to pay rent within seven (7) days after written notice by the landlord of nonpayment and his or her intention to terminate the rental agreement if the rent is not paid within that period, the landlord may terminate the rental agreement.
- (3) Except as provided in KRS 383.505 to 383.715, the landlord may recover damages and obtain injunctive relief for any noncompliance by the tenant with the rental agreement or KRS 383.605 or 383.610. If the tenant's noncompliance is willful the landlord may recover actual damages and reasonable attorney's fees.

➔Section 64. KRS 383.665 is repealed and reenacted to read as follows:

If there is noncompliance by the tenant with KRS 383.605 or 383.610 materially affecting health and safety that can be remedied by repair, replacement of a damaged item or cleaning, and the tenant fails to comply as promptly as conditions require in case of emergency or within fourteen (14) days after written notice by the landlord specifying the breach and requesting that the tenant remedy it within that period of time, the landlord may enter the dwelling unit and cause the work to be done in a workmanlike manner and submit the itemized bill for the actual and reasonable cost or the fair and reasonable value thereof as rent on the next date periodic rent is due, or if the

rental agreement has terminated, for immediate payment.

➔Section 65. KRS 383.670 is repealed and reenacted to read as follows:

- (1) If the rental agreement requires the tenant to give notice to the landlord of an anticipated extended absence in excess of seven (7) days as required in KRS 383.620 and the tenant willfully fails to do so, the landlord may recover actual damages from the tenant.
- (2) During any absence of the tenant in excess of seven (7) days, the landlord may enter the dwelling unit at times reasonably necessary.
- (3) If the tenant abandons the dwelling unit, the landlord shall make reasonable efforts to rent it at a fair rental. If the landlord rents the dwelling unit for a term beginning before the expiration of the rental agreement, it terminates as of the date of the new tenancy. If the landlord fails to use reasonable efforts to rent the dwelling unit at a fair rental or if the landlord accepts the abandonment as a surrender, the rental agreement is deemed to be terminated by the landlord as of the date the landlord has notice of the abandonment. If the tenancy is from month-to-month or week-to-week, the term of the rental agreement for this purpose is deemed to be a month or a week, as the case may be.

➔Section 66. KRS 383.675 is repealed, reenacted, and amended to read as follows:

Acceptance of rent with knowledge of a default by the tenant or acceptance of performance by him or her that varies from the terms of the rental agreement constitutes a waiver of the landlord's right to terminate the rental agreement for that breach, unless otherwise agreed after the breach has occurred.

➔Section 67. KRS 383.680 is repealed and reenacted to read as follows:

- (1) A lien or security interest on behalf of the landlord in the tenant's household goods is not enforceable unless perfected before August 1, 1984.
- (2) Distraint for rent is abolished.

➔Section 68. KRS 383.685 is repealed and reenacted to read as follows:

If the rental agreement is terminated, the landlord may have a claim for possession and for rent and a separate claim for actual damages for breach of the rental agreement and reasonable attorney's fees as provided in KRS 383.660(3).

➔Section 69. KRS 383.690 is repealed and reenacted to read as follows:

A landlord may not recover or take possession of the dwelling unit by action or otherwise, including willful diminution of services to the tenant by interrupting or causing the interruption of heat, electric, running water, hot water, gas, or other essential service to the tenant, except in case of abandonment, surrender, or as permitted in KRS 383.505 to 383.715.

➔Section 70. KRS 383.695 is repealed, reenacted, and amended to read as follows:

- (1) The landlord or the tenant may terminate a week-to-week tenancy by a written notice given to the other at least seven (7) days before the termination date specified in the notice.
- (2) The landlord or the tenant may terminate a month-to-month tenancy by a written notice given to the other at least thirty (30) days before the periodic rental date specified in the notice.
- (3) The landlord or the tenant may terminate a tenancy begun upon the termination of a written lease by written notice given to the other at least ten (10) days before the termination date specified in the notice, except that if the tenant fails to pay rent within ten (10) days after the day it becomes due, the landlord may terminate the tenancy at any time without notice.
- (4) If the tenant remains in possession without the landlord's consent after expiration of the term of the rental agreement or its termination, the landlord may bring an action for possession and if the tenant's holdover is willful and not in good faith the landlord may also recover an amount not more than three (3) months' periodic rent or threefold the actual damages sustained by him or her, whichever is greater, and reasonable attorney's fees. If the landlord consents to the tenant's continued occupancy, KRS 383.565(3) applies.

➔Section 71. KRS 383.700 is repealed and reenacted to read as follows:

- (1) If the tenant refuses to allow lawful access, the landlord may obtain injunctive relief to compel access, or terminate the rental agreement. In either case the landlord may recover actual damages and reasonable attorney's fees.
- (2) If the landlord makes an unlawful entry or a lawful entry in an unreasonable manner or makes repeated demands for entry otherwise lawful but which have the effect of unreasonably harassing the tenant, the tenant may obtain injunctive relief to prevent the reoccurrence of the conduct or terminate the rental agreement. In either case the tenant may recover actual damages and reasonable attorney's fees.

➔Section 72. KRS 383.705 is repealed, reenacted, and amended to read as follows:

- (1) Except as provided in this section, a landlord may not retaliate by increasing rent or decreasing services or by bringing or threatening to bring an action for possession after:
 - (a) The tenant has complained to a governmental agency charged with responsibility for enforcement of a building or housing code of a violation applicable to the premises materially affecting health and safety;
 - (b) The tenant has complained to the landlord of a violation under KRS 383.595;
 - (c) The tenant has organized or become a member of a tenant's union or similar organization.
- (2) If the landlord acts in violation of subsection (1) of this section, the tenant is entitled to the remedies provided in KRS 383.655 and has a defense in any retaliatory action against him **or her** for possession. In an action by or against the tenant, evidence of a complaint within one (1) year before the alleged act of retaliation creates a presumption that the landlord's conduct was in retaliation. The presumption does not arise if the tenant made the complaint after notice of a proposed rent increase or diminution of services. "Presumption" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

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- (3) Notwithstanding subsections (1) and (2) of this section, a landlord may bring an action for possession if:
- (a) The violation of the applicable building or housing code was caused primarily by lack of reasonable care by the tenant or other person in his household or upon the premises with his ***or her*** consent;
 - (b) The tenant is in default in rent; or
 - (c) Compliance with the applicable building or housing code requires alteration, remodeling, or demolition which would effectively deprive the tenant of use of the dwelling unit.
- (4) The maintenance of an action under subsection (3) of this section does not release the landlord from liability under KRS 383.625(2).

➔Section 73. KRS 383.715 is repealed, reenacted, and amended to read as follows:

KRS 383.505 to **383.715**~~[383.705]~~ shall be known and may be cited as the "Uniform Residential Landlord and Tenant Act."

➔Section 74. There is hereby appropriated General Fund moneys in the amount of \$81,000,000 in fiscal year 2026-2027 and \$42,000,000 in fiscal year 2027-2028 from the budget reserve trust fund account established by KRS 48.705 to the affordable housing trust fund.

➔Section 75. There is hereby appropriated General Fund moneys in the amount of \$50,000,000 in fiscal year 2026-2027 and \$50,000,000 in fiscal year 2027-2028 from the budget reserve trust fund account established by KRS 48.705 to the affordable housing loan pool fund.

➔Section 76. Sections 26 and 27 of this Act may be cited as the Kentucky Price Fairness Act.

➔Section 77. Section 1 of this Act applies to fees received by a county clerk for services provided on or after August 1, 2026."