

1 AN ACT relating to consumer protection.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in Sections 1 and 2 of this Act:*

6 *(a) "Beneficiary" means any one (1) of the following who is solicited by or*
7 *signs a contract with a solar energy salesperson or a solar energy contractor*
8 *for a residential or commercial solar energy system:*

9 *1. An owner or leaseholder of residential or commercial property; or*

10 *2. An owner or lessee of a solar energy system;*

11 *(b) "Dealer fee" means an amount paid by a solar energy contractor or solar*
12 *energy salesperson to a lender in order to offer a beneficiary credit to*
13 *finance the purchase and installation of a solar energy system;*

14 *(c) "Electric utility" means:*

15 *1. A municipal electric utility established under KRS Chapter 96; or*

16 *2. An electric utility subject to KRS Chapter 278;*

17 *(d) "Major system components" means any inverters, module-level power*
18 *electronics, solar panels, racking systems, or battery energy storage*
19 *equipment included in the solar energy installation;*

20 *(e) "Solar array" means a mechanically and electrically integrated grouping of*
21 *modules with support structures, including any attached system components*
22 *such as inverters or direct current-to-direct current converters and attached*
23 *associated wiring;*

24 *(f) "Solar energy contractor" means a person that:*

25 *1. Designs, installs, repairs, replaces, or maintains solar energy systems;*

26 *and*

27 *2. Is licensed as an electrical contractor under KRS Chapter 227A;*

- 1 (g) "Solar energy installation contract" means an agreement between a solar
2 energy contractor or solar energy salesperson and a beneficiary that
3 includes, in part, an agreement to install a residential or commercial solar
4 energy system for a total cost including labor and materials in excess of one
5 thousand dollars (\$1,000);
- 6 (h) "Solar energy salesperson" means a person who solicits, negotiates, or
7 otherwise endeavors to procure a solar energy installation contract with a
8 beneficiary to install, repair, or replace residential or commercial solar
9 energy systems on behalf of a solar energy contractor or any other person;
- 10 (i) "Solar energy system" is any purchased, leased, or otherwise financed
11 system comprised of components, circuits, solar energy equipment, and
12 other equipment that in combination convert solar energy into electrical
13 energy; and
- 14 (j) "Solicit" means to make contact with a beneficiary for the purpose of
15 selling or installing residential or commercial solar energy systems
16 including but not limited to contact through any of the following methods:
- 17 1. Door-to-door contact;
18 2. Telephone contact or text messages;
19 3. Flyers left at a residence or commercial property;
20 4. Internet or social media advertisements; or
21 5. Other promotional advertisements that offer gifts, cash, or services if
22 the beneficiary contacts the solar energy contractor or solar energy
23 salesperson.
- 24 (2) (a) A person shall not advertise, offer to do work, submit a bid, engage in,
25 conduct, or carry on the business of designing, installing, repairing,
26 replacing, or maintaining residential or commercial solar energy systems
27 for a total cost including labor and materials in excess of one thousand

1 dollars (\$1,000) unless he or she is licensed as an electrical contractor
2 under KRS Chapter 227A.

3 (b) Any solar energy installation contract executed between a beneficiary and
4 an unlicensed person shall be void and unenforceable.

5 (3) A solar energy installation contract shall:

6 (a) Be made in writing using the same language and terms as were principally
7 used in any sales presentations made to a beneficiary including any
8 material contract terms from print or digital marketing material given to the
9 beneficiary;

10 (b) Be given to the beneficiary at the time the beneficiary signs the contract;
11 and

12 (c) Contain the following:

13 1. An itemized list of work to be performed including any known or
14 anticipated electrical system upgrades or utility equipment upgrades
15 that are necessary for installation;

16 2. Any loan financing, leasing, or purchase agreement that is
17 incorporated directly into the contract, included as a separate
18 attachment or component of the contract, and conforming to all
19 federal and state consumer credit protection statutes, regulations, and
20 disclosure requirements, including terms and conditions, rents,
21 amount financed, finance charge, interest rates, total of payments,
22 annual percentage rate, the amortization schedule, late fees and
23 penalties, prepayment penalties, and information describing how the
24 loan financing is secured;

25 3. Disclosure of the exact amount paid, if any, by a solar energy
26 contractor or solar energy salesperson to any lender, lessor, or third-
27 party financing company in the form of a dealer fee, commission, or

- 1 other similar inducement to obtain financing, regardless of whether
2 financing is incorporated within the contract or in conjunction with a
3 third-party lender;
- 4 4. The total dollar amount of the contract;
- 5 5. The cost per watt calculated as the total contract amount, including
6 labor and materials, for installing the solar energy system divided by
7 the total direct current nameplate rating of the solar energy system;
- 8 6. A detailed payment schedule based on project completion milestones
9 that explains when payments are due, the beneficiary's right to cancel
10 the contract, and the cancellation fees due at each milestone in the
11 payment schedule;
- 12 7. The model and brand name of major system components to be
13 installed, and, in the case of a change in any major system
14 components throughout the duration of the contract, documentation
15 of those changes and the efficiency and warranty period of the new
16 major system components, and the agreement in writing by the
17 beneficiary to those changes;
- 18 8. The manufacturer's warranty period for each major system
19 component of the solar energy system;
- 20 9. The solar energy system's first year annual production projections in
21 kilowatt hours, which:
- 22 a. Shall be based on site-specific considerations of each solar
23 array, including location of the installation, orientation and
24 angle of the panels, and on-site shading factors;
- 25 b. Shall not exceed optimal inverter performance identified by the
26 manufacturer of the inverter equipment identified in the
27 contract; and

- 1 c. Shall be developed using nationally recognized, industry
2 standard tools and methodologies;
- 3 10. A provision detailing that if there is a change to the solar array that
4 reduces solar array production, the change order shall be submitted to
5 the beneficiary, and the beneficiary shall have a period of up to two
6 (2) weeks to cancel the contract;
- 7 11. The name, business address, email address, and phone number of the
8 primary solar energy salesperson, if different from the solar energy
9 contractor;
- 10 12. The name, business address, email address and license number of the
11 solar energy contractor;
- 12 13. A statement identifying whether all of the work will be performed by
13 employees of the solar energy contractor and, in the case of any part
14 of the work being subject to subcontracting by or assignment from the
15 solar energy contractor to another person, the circumstances by which
16 the subcontracting or assignment will occur and a disclosure of how
17 the solar energy contractor will monitor and ensure that the work is
18 completed in a safe, timely, and professional manner;
- 19 14. A notice of the beneficiary's right to cancel, which shall be initialed by
20 the beneficiary acknowledging that he or she has read and understood
21 the following applicable notice, in twelve (12) point font or larger and
22 including the following terms:
- 23 a. For a residential property, a right to cancel notice that is
24 consistent with requirements of KRS 367.430;
- 25 b. For a commercial property, a rescission rights notice that reads
26 as follows: "IF THIS AGREEMENT WAS SOLICITED TO
27 YOUR COMMERCIAL PROPERTY AND YOU DO NOT

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WANT THE GOODS OR SERVICES, YOU MAY CANCEL THIS AGREEMENT BY MAILING A NOTICE TO THE SELLER. THE NOTICE MUST SAY THAT YOU DO NOT WANT THE GOODS OR SERVICES AND MUST BE MAILED BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER YOU SIGN THIS AGREEMENT. THE NOTICE MUST BE MAILED TO:

.....
....."

- 15. A statement of warranty that the solar energy contractor shall:
 - a. Install the solar energy system in compliance with:
 - i. The manufacturer instructions;
 - ii. The national electric code as enforced in the local jurisdiction;
 - iii. Local building codes; and
 - iv. The applicable utility's interconnection standards; and
 - b. Correct or remedy any lack of compliance in the installation of the system for at least one (1) year;
- 16. A statement fully and accurately describing the ability or inability of the solar energy system to produce power during a grid outage, including all applicable utility restrictions and conditions;
- 17. A statement authorizing the solar energy contractor to interact as necessary with the beneficiary's electric utility on the beneficiary's behalf to provide any required information to and obtain any necessary approvals from the electric utility prior to, during, and following construction and initial operation of the solar energy system; and

1 18. A statement fully and accurately describing the solar energy
2 contractor's affiliation or lack of affiliation with the beneficiary's
3 electric utility.

4 (4) (a) If a beneficiary finances the purchase of the solar energy system with a
5 financed sales contract or leases the solar energy system, the financed sales
6 contract or lease shall state the beneficiary's:

7 1. Prior year mean electric bill;

8 2. Estimated monthly electric bill after the solar energy system begins
9 operation;

10 3. Monthly finance costs or rent after the solar energy system begins
11 operation; and

12 4. Total monthly bill for electricity and finance costs or for electricity
13 and rent after the solar energy system begins operation.

14 (b) The statement required in this subsection shall be initialed by the
15 beneficiary acknowledging that he or she has read and understood the
16 statement.

17 (5) If a beneficiary exercises any of the rescission rights as described in subsection
18 (3)(c) of this section, the solar energy contractor shall not enforce the terms of
19 the contract against the beneficiary, including any claims for labor or materials,
20 and shall terminate any security interest and release any statutory lien created
21 under the transaction within twenty (20) days of receiving written rescission of
22 the contract from the beneficiary. If a beneficiary exercises the rescission rights
23 via email or a certified letter postmarked within the three (3) day window to the
24 contacts listed in the solar energy installation contract, even if the solar energy
25 contractor or solar energy salesperson has not responded, the solar energy
26 contractor is prohibited from enforcing the terms of the contract and shall not
27 charge any cancellation fees.

- 1 (6) The solar energy contractor or beneficiary shall ensure that all required review
2 and approvals, as dictated by the appropriate net metering or qualifying facility
3 application process, are obtained from the beneficiary's electric utility prior to
4 energizing the solar energy system.
- 5 (7) A beneficiary is under no obligation to begin monthly payments on a financed
6 solar energy system until the beneficiary's system has been granted permission to
7 operate by the applicable local or state inspection authority.
- 8 (8) If the scope of work in the solar energy installation contract includes roofing
9 work, the solar energy contractor shall provide the beneficiary separate invoices
10 for the roofing work, and the solar energy installation contract shall separately
11 itemize and identify the cost of any roofing tear-off and replacement.
- 12 (9) A person that purchases or is otherwise assigned a solar energy installation
13 contract is subject to all claims and defenses with respect to the contract that the
14 beneficiary could assert against the solar energy contractor. A person, firm,
15 partnership, corporation, or other entity which sells or otherwise assigns a solar
16 energy installation contract shall include a prominent notice of the potential
17 liability under this section.
- 18 (10) A person shall not solicit using any statement or representation with regard to the
19 costs, financing, terms, or conditions of purchase or installation of residential or
20 commercial solar energy systems that is deceptive.
- 21 (11) A solar energy contractor or solar energy salesperson who fails to substantially
22 comply with the requirements of this chapter is liable to the beneficiary for any
23 actual damages sustained by the beneficiary as a result of the failure. This
24 section does not limit any other cause of action or remedy available under KRS
25 Chapter 367.

26 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
27 READ AS FOLLOWS:

- 1 (1) Any person may maintain an action to enjoin the continuing of any act in
2 violation of Section 1 of this Act, and if injured may also maintain an action for
3 the recovery of damages.
- 4 (2) If the court finds based on evidence presented by the plaintiff that the defendant
5 is violating or has violated Section 1 of this Act, the court shall enjoin the
6 defendant from continuing the violations.
- 7 (3) Actual economic damages shall not be required to be alleged or proved by the
8 plaintiff in order for the court to enjoin violations.
- 9 (4) In addition to injunctive relief and any other relief the plaintiff may be entitled to
10 under this section:
- 11 (a) The plaintiff shall be entitled to recover from the defendant two (2) times
12 the amount of any actual economic damages sustained; and
- 13 (b) The court may award the plaintiff reasonable attorney's fees and costs.
- 14 (5) In addition to the remedies provided under this section, all remedies, powers, and
15 duties provided to the Attorney General under KRS 367.110 to 367.300, and the
16 penalties provided in KRS 367.990, any other applicable remedies, powers, and
17 duties provided under applicable law shall apply with equal force and effect to
18 any act declared unlawful in Section 1 of this Act.
- 19 (6) The Attorney General may recover a civil penalty of five thousand dollars
20 (\$5,000) per violation against any person who violates Section 1 of this Act.
- 21 (7) An electric utility shall not be held liable for any violation of Section 1 of this Act
22 unless it is acting in the capacity of a solar energy contractor or solar energy
23 salesperson.
- 24 (8) This section shall not prohibit the Attorney General or any other person from
25 pursuing the recovery of damages, penalties, restitution, disgorgement, or
26 injunctive relief afforded elsewhere under the law.
- 27 ➔Section 3. KRS 227.480 is amended to read as follows:

- 1 (1) (a) A city, county, urban-county government, charter county, or consolidated
2 local government or the state shall, according to the Uniform State Building
3 Code as it pertains to the plan review and inspection responsibilities of local
4 governments or the state, require any person to obtain a permit before
5 commencing construction, alteration, or repairs of any electrical system.
- 6 (b) The city, county, urban-county government, charter county, or consolidated
7 local government or the state shall require all inspections that are deemed
8 necessary by the department for the safety of life and property. The
9 department shall promulgate administrative regulations to describe the
10 circumstances where inspections are required.
- 11 (2) A city, county, urban-county government, charter county, or consolidated local
12 government or the state shall not issue a permit unless the applicant submits proof
13 of being licensed as an electrical contractor under KRS Chapter 227A or of acting
14 on behalf of a licensed electrical contractor. However, the provisions of this
15 subsection shall not apply to:
- 16 (a) A homeowner or farmer who does construction, alteration, or repairs of any
17 electrical system on his or her own premises or any other person exempt from
18 licensing under KRS 227A.030 or 227A.150;
- 19 (b) Electrical work performed by the Commonwealth of Kentucky, a city, county,
20 urban-county government, charter county, or consolidated local government,
21 or any subdivision thereof;
- 22 (c) A company with a recently deceased licensed electrical contractor, which
23 shall be granted an interim period of up to one hundred eighty (180)
24 continuous calendar days by the city, county, urban-county government,
25 charter county, consolidated local government, or state to allow the company
26 to utilize the license of the deceased electrical contractor if:
- 27 1. The company effectuates and documents all necessary bonding and

- 1 insurance policies required by KRS Chapter 227A; and
- 2 2. Ensures that the bonding and insurance policies remain in effect for the
- 3 entirety of the interim period of time extended; or
- 4 (d) A disaster response business as defined in KRS 141.010.
- 5 (3) A city, county, urban-county government, charter county, or consolidated local
- 6 government shall appoint and may fix the compensation of city, county, urban-
- 7 county government, charter county, or consolidated local government electrical
- 8 inspectors, and may by ordinance fix reasonable fees and establish other
- 9 requirements for the conduct of electrical inspections within its boundaries. All
- 10 electrical inspectors shall be certified under KRS 227.489.
- 11 (4) Reasonable standards for the construction, alteration, and repair of any electrical
- 12 system shall be those adopted in the Uniform State Building Code, as promulgated
- 13 by the department, and shall have as a minimum standard the requirements of the
- 14 National Electrical Code, which may include Kentucky amendments. These
- 15 standards shall be used by the electrical inspector in making his *or her* inspections.
- 16 **(5) Local standards and fees for inspection of any solar energy system, as defined in**
- 17 **Section 1 of this Act, shall be applied in a nondiscriminatory manner consistent**
- 18 **with the treatment of comparable facilities.**