

1 AN ACT relating to affordable housing, making an appropriation therefor, and
2 declaring an emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO
5 READ AS FOLLOWS:

6 *As used in Sections 1 to 3 of this Act:*

7 *(1) "Eligible entity" means an entity eligible for funding under subsection (3) of*
8 *Section 3 of this Act;*

9 *(2) "Eligible property" means a property that, as a result of its status as a vacant and*
10 *abandoned property, has been subject to a tax foreclosure proceeding or*
11 *otherwise been obtained by a private or governmental entity;*

12 *(3) "Eligible renter" means an individual or family seeking to rent a rehabilitated*
13 *property who has:*

14 *(a) A household income not exceeding one hundred twenty percent (120%) of*
15 *the median income for the area as set out by the United States Department*
16 *of Housing and Urban Development; and*

17 *(b) Prior to the commencement of the lease, satisfactorily completed mandatory*
18 *homeownership counseling from a homeownership counselor certified by*
19 *the United States Department of Housing and Urban Development;*

20 *(4) "Fund" means the abandoned home pool fund created in Section 2 of this Act;*

21 *(5) "Rehabilitated property" means a property that has been rendered habitable as a*
22 *result of rehabilitation and which may be leased to eligible renters under Section*
23 *3 of this Act;*

24 *(6) "Rehabilitation" means the rehabilitation, remodeling, reconstruction, or other*
25 *improvement of an eligible property to render it habitable as a result of funding*
26 *under Section 3 of this Act; and*

27 *(7) "Vacant and abandoned property" means a residential property, including*

1 single-family homes, multifamily homes, and apartment buildings, that has been
2 continuously vacant for at least one (1) year, and:

3 (a) Has been the subject of repeated housing, building, or other code or
4 ordinance violations; or

5 (b) Is in a state of disrepair such that all or part of the property is not fit for
6 habitation.

7 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO
8 READ AS FOLLOWS:

9 (1) There is hereby established in the State Treasury a revolving account to be known
10 as the abandoned home pool fund. The fund shall consist of moneys received
11 from state appropriations, gifts, grants, federal funds, fees collected under
12 Section 4 of this Act, and all repayment, interest, or other return on the
13 investment of fund dollars under Section 3 of this Act.

14 (2) The fund shall be administered by the corporation.

15 (3) Amounts deposited in the fund shall be used for the purposes set forth in Section
16 3 of this Act and for no other purpose.

17 (4) Notwithstanding KRS 45.229, fund amounts not expended at the close of a fiscal
18 year shall not lapse but shall be carried forward into the next fiscal year.

19 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO
20 READ AS FOLLOWS:

21 (1) (a) The corporation shall use moneys from the abandoned home pool fund
22 created in Section 2 of this Act to make, or participate in the making of,
23 loans or grants to eligible entities for the eligible activities described in this
24 section.

25 (b) Any loan or grant made by the corporation shall be a new source of funding
26 or supplement existing sources of funding for eligible activities and shall
27 not be used to replace existing or available moneys.

1 (c) Prior to making a loan or grant under this section, the corporation shall
2 negotiate with the eligible entity regarding operating expenses and fees that
3 an eligible entity may retain from rent payments as set out in subsection
4 (5)(e) of this section.

5 (d) The corporation may establish terms and provisions for loans and grants it
6 makes under this section.

7 (2) Activities eligible for funding shall include:

8 (a) The acquisition of eligible properties for the purposes of rehabilitation by
9 an eligible entity;

10 (b) The rehabilitation of eligible properties by an eligible entity;

11 (c) Major capital repairs to a home that is being rented by an eligible renter as
12 set out in subsection (5) of this section;

13 (d) Matching funds for technical assistance directly related to providing
14 housing to eligible renters under subsection (5) of this section; and

15 (e) Administrative costs for housing assistance programs or eligible entities, if
16 the loans or grants will substantially increase the recipient's access to funds
17 other than those available under Sections 1 to 3 of this Act.

18 (3) Organizations eligible for funding shall include Kentucky incorporated nonprofit
19 organizations exempt from taxation under Section 501(c)(3) of the Internal
20 Revenue Code that have:

21 (a) At least five (5) years of experience in developing housing, implementing
22 home repair programs, or leading a weatherization assistance program; and

23 (b) 1. Housing development or assistance as a stated purpose of the entity's
24 bylaws; or

25 2. Been deemed by the corporation to have sufficient capacity for
26 rehabilitation of properties and leasing rehabilitated properties to
27 eligible renters.

1 (4) (a) A rehabilitated property shall be deed restricted for a minimum of twenty
2 (20) years under the following conditions:

3 1. The corporation shall have right of first refusal to purchase any
4 rehabilitated property; and

5 2. The property shall be reserved for rental by an eligible renter.

6 (b) The corporation may grant amendments to deed restrictions on a case-by-
7 case basis.

8 (5) (a) An eligible entity that has rehabilitated a property and intends to lease the
9 property to an eligible renter shall calculate a total project cost for a
10 rehabilitated property, which shall include:

11 1. The purchase price of the eligible property;

12 2. The cost to rehabilitate the property;

13 3. Counseling fees;

14 4. Developer fees;

15 5. An interest rate of no higher than three percent (3%); and

16 6. The monthly cost of replacement insurance.

17 (b) Rent payments made by an eligible renter under this subsection shall be
18 calculated by taking the total project cost for a rehabilitated property under
19 paragraph (a) of this subsection divided into two hundred forty (240) equal
20 payments due monthly.

21 (c) An eligible renter shall maintain the property in as good condition as the
22 property was upon the commencement of a lease.

23 (d) An eligible entity shall transfer the title to the property to an eligible renter
24 who has made two hundred forty (240) monthly payments required in
25 paragraph (b) of this subsection.

26 (e) Rent payments made to an eligible entity under this section shall be
27 returned to the fund on a quarterly basis, less negotiated operating expenses

1 and fees as calculated by the corporation pursuant to subsection (1)(c) of
2 this section and insurance payments.

3 (f) An eligible renter that is renting a property rented under this subsection
4 who is unable to make a monthly payment for three (3) consecutive months
5 shall be subject to eviction by the eligible entity in accordance with
6 applicable state and local laws and regulations.

7 (g) 1. An eligible renter who is evicted or voluntarily abandons a property
8 rented under this subsection shall receive from the fund twenty
9 percent (20%) of the money paid by the eligible renter towards
10 amortized equity in the rehabilitated property if the eligible renter has
11 made more than forty-eight (48) monthly payments.

12 2. Following an eviction or voluntary abandonment under subparagraph
13 1. of this paragraph, the eligible entity may endeavor to make the
14 property available to another eligible renter.

15 (6) The corporation shall:

16 (a) Issue a public notice to eligible entities of the availability of money from the
17 fund at least twice each calendar year and provide a reasonable opportunity
18 for the filing of applications by eligible entities;

19 (b) Approve or deny properly submitted and completed applications for moneys
20 from the fund within ninety (90) days of receipt;

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

23 (d) Approve or deny applications by ranking the application competitively using
24 criteria established by the corporation.

25 (7) The corporation may promulgate administrative regulations in accordance with
26 KRS Chapter 13A to effectuate the provisions of Sections 1 to 3 of this Act.

27 (8) A person or entity shall not discriminate in the sale or rental, or otherwise

1 making available or deny, a housing unit funded under this section to any buyer
2 or renter because of race, religion, sex, familial status, disability, or national
3 origin.

4 ➔Section 4. KRS 64.012 is amended to read as follows:

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

6 (a) 1. Recording and indexing of a:

- 7 a. Deed of trust or assignment for the benefit of creditors;
- 8 b. Deed;
- 9 c. Deed of assignment;
- 10 d. File-stamped copy of documents set forth in KRS 14A.2-040(1) or
- 11 (2) that have been filed first with the Secretary of State;
- 12 e. Real estate option;
- 13 f. Power of attorney;
- 14 g. Revocation of power of attorney;
- 15 h. Lease which is recordable by law;
- 16 i. Deed of release of a mortgage or lien under KRS 382.360;
- 17 j. United States lien;
- 18 k. Release of a United States lien;
- 19 l. Release of any recorded encumbrance other than state liens;
- 20 m. Lis pendens notice concerning proceedings in bankruptcy;
- 21 n. Lis pendens notice;
- 22 o. Mechanic's and artisan's lien under KRS Chapter 376;
- 23 p. Assumed name;
- 24 q. Notice of lien issued by the Internal Revenue Service;
- 25 r. Notice of lien discharge issued by the Internal Revenue Service;
- 26 s. Original, assignment, amendment, or continuation financing
- 27 statement;

- 1 t. Making a record for the establishment of a city, recording the plan
2 or plat thereof, and all other service incident;
- 3 u. Survey of a city, or any part thereof, or any addition to or
4 extensions of the boundary of a city;
- 5 v. Recording with statutory authority for which no specific fee is set,
6 except a military discharge;
- 7 w. Will or other probate document pursuant to KRS Chapter 392 or
8 394;
- 9 x. Court ordered name change pursuant to KRS Chapter 401;
- 10 y. Land use restriction according to KRS 100.3681; and
- 11 z. Filing with statutory authority for which no specific fee is set.
- 12 For all items in this subsection if the entire thereof does not exceed
13 five (5) pages**\$35.00**~~[\$33.00]~~
- 14 And, for all items in this subsection exceeding five (5) pages,
15 for each additional page\$3.00
- 16 And, for all items in this subsection for each additional reference
17 relating to same instrument\$4.00
- 18 2. The **thirty-five dollar (\$35)**~~thirty three dollar (\$33)~~ fee imposed by
19 this subsection shall be divided as follows:
- 20 a. Twenty-seven dollars (\$27) shall be retained by the county clerk;
21 and
- 22 b. Six dollars (\$6) shall be paid to the affordable housing trust fund
23 established in KRS 198A.710 and shall be remitted by the county
24 clerk within ten (10) days following the end of the quarter in
25 which the fee was received. Each remittance to the affordable
26 housing trust fund shall be accompanied by a summary report on a
27 form prescribed by the Kentucky Housing Corporation.

- 1 **c. Two dollars (\$2) shall be paid to the abandoned home pool fund**
2 **established in Section 2 of this Act and shall be remitted by the**
3 **county clerk within ten (10) days following the end of the quarter**
4 **in which the fee was received. Each remittance to the abandoned**
5 **home pool fund shall be accompanied by a summary report on a**
6 **form prescribed by the Kentucky Housing Corporation.**
- 7 (b) For noting a security interest on a certificate of title pursuant to
8 KRS Chapter 186A\$12.00
- 9 (c) For filing the release of collateral under a financing statement
10 and noting same upon the face of the title pursuant to KRS Chapter
11 186 or 186A\$5.00
- 12 (d) Filing or recording state tax or other state liens\$5.00
- 13 (e) Filing release of a state tax or other state lien\$5.00
- 14 (f) Acknowledging or notarizing any deed, mortgage, power of attorney,
15 or other written instrument required by law for recording and certifying
16 same\$5.00
- 17 (g) Recording plats, maps, and surveys, not exceeding 24 inches by
18 36 inches, per page\$40.00
- 19 (h) Recording a bond, for each bond\$10.00
- 20 (i) Each bond required to be taken or prepared by the clerk\$4.00
- 21 (j) Copy of any bond when ordered\$3.00
- 22 (k) Administering an oath and certificate thereof\$5.00
- 23 (l) Issuing a license for which no other fee is fixed by law\$8.00
- 24 (m) Issuing a solicitor's license\$15.00
- 25 (n) Marriage license, indexing, recording, and issuing certificate thereof\$26.50
- 26 (o) Every order concerning the establishment, changing, closing, or
27 discontinuing of roads, to be paid out of the county levy when

- 1 the road is established, changed, closed, or discontinued, and by
 2 the applicant when it is not\$3.00
- 3 (p) Registration of licenses for professional persons required to register
 4 with the county clerk\$10.00
- 5 (q) Certified copy of any record\$5.00
 6 Plus fifty cents (\$.50) per page after three (3) pages
- 7 (r) Filing certification required by KRS 65.070(2)(a)\$5.00
- 8 (s) Filing notification and declaration and petition of candidates
 9 for Commonwealth's attorney.....\$200.00
- 10 (t) Filing notification and declaration and petition of candidates for county
 11 and independent boards of education\$20.00
- 12 (u) Filing notification and declaration and petition of candidates for
 13 boards of soil and water conservation districts\$20.00
- 14 (v) Filing notification and declaration and petition of candidates for
 15 other office\$50.00
- 16 (w) Filing declaration of intent to be a write-in candidate for office.....\$50.00
- 17 (x) Filing petitions for elections, other than nominating petitions\$50.00
- 18 (y) Notarizing any signature, per signature\$2.00
- 19 (z) Filing bond for receiving bodies under KRS 311.310\$10.00
- 20 (aa) Noting the assignment of a certificate of delinquency and recording
 21 and indexing the encumbrance under KRS 134.126 or 134.127\$27.00
- 22 (ab) Filing a going-out-of-business permit under KRS 365.445\$50.00
- 23 (ac) Filing a renewal of a going-out-of-business permit under KRS 365.445 \$50.00
- 24 (ad) Filing and processing a transient merchant permit under KRS 365.680 . \$25.00
- 25 (ae) Recording and indexing a real estate mortgage:
- 26 1. For a mortgage that does not exceed thirty (30) pages.....~~\$63.00~~ **\$65.00**
- 27 2. And, for a mortgage that exceeds thirty (30) pages, for each additional

1 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

5 (2) The sixty-five dollar (\$65)~~[sixty-three dollar (\$63)]~~ fee imposed by subsection
6 (1)(ae) of this section shall be divided as follows:

7 (a) Fifty-seven dollars (\$57) shall be retained by the county clerk; and

(b) 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.

13 (c) Two dollars (\$2) shall be paid to the abandoned home pool fund established
14 in Section 2 of this Act and shall be remitted by the county clerk within ten
15 (10) days following the end of the quarter in which the fee was received.
16 Each remittance to the abandoned home pool fund shall be accompanied by
17 a summary report on a form prescribed by the Kentucky Housing
18 Corporation.

19 (3) (a) For services related to the permanent storage of records listed in paragraphs
20 (a), (g), (n), and (ae) of subsection (1) of this section, the clerk shall be
21 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:

24 1. This fee shall:

25 a. Not be paid annually to the fiscal court under KRS 64.152;

26 b. Not be paid to the Finance and Administration Cabinet under KRS
27 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

1 treasurer of the county or urban-county government.

2 4. No later than July 1 of each year, each county fiscal court or legislative
3 body of an urban-county government shall submit a report to the
4 Legislative Research Commission detailing the receipts, expenditures,
5 and any amounts remaining in the fund.

6 (c) In a county containing a consolidated local government:

7 1. The fee shall not:

8 a. Be paid to the Finance and Administration Cabinet under KRS
9 64.345; or

10 b. Lapse to the general fund of the consolidated local government.

11 2. The moneys accumulated from this fee shall be held in perpetuity by the
12 county clerk in a separate fund to be used exclusively for:

13 a. Equipment related to the permanent storage of and access to
14 records, including deed books, binders, shelves, microfilm
15 equipment, and fireproof equipment;

16 b. Hardware for the permanent storage of and access to records,
17 including computers, servers, and scanners;

18 c. Software for the permanent storage of and access to records,
19 including vendor services and consumer subscription fees;

20 d. Personnel costs for the permanent storage of and access to records,
21 including overtime costs for personnel involved in the digitization
22 of records; and

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

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

1 remaining in the fund.

2 ➔Section 5. There is hereby appropriated General Fund moneys in the amount of
3 \$25,000,000 in fiscal year 2026-2027 to the abandoned home pool fund.

4 ➔Section 6. Whereas providing timely funding for housing assistance in the
5 Commonwealth is critically important for citizens of this state, an emergency is declared
6 to exist, and this Act takes effect July 1, 2026.