

1 AN ACT relating to programs to encourage the rehabilitation of property.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO
4 READ AS FOLLOWS:

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

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

9 *(b) "Qualifying donee" means an entity that has received a donation of*
10 *property from a donor and that is a:*

11 *1. Local government;*

12 *2. Land bank established pursuant to KRS 65.350 to 65.375;*

13 *3. Nonprofit community land trust; or*

14 *4. Nonprofit organization that:*

15 *a. Is registered with the Kentucky Secretary of State;*

16 *b. Has been registered with the Kentucky Secretary of State for a*
17 *minimum of five (5) years;*

18 *c. Has its principal place of business in Kentucky;*

19 *d. Includes affordable housing in its stated purpose; and*

20 *e. Is a tax-exempt organization under Section 501(c)(3) of the*
21 *Internal Revenue Code.*

22 *(2) (a) Each local government shall establish a program to allow property owners*
23 *that donate property to a qualifying donee to have fines, fees, and interest*
24 *associated with that property waived. Fines, fees, and interest eligible for*
25 *waiver shall include:*

26 *1. Recording fees under KRS 64.012;*

27 *2. Any fines, fees, or interest incurred due to an ordinance violation*

1 associated with the property; and
2 3. Notwithstanding any provision of law to the contrary, any fines, fees
3 or interest that have been assessed as a result of delinquent property
4 taxes associated with the property prior to the creation of a certificate
5 of delinquency.

6 (b) To qualify for a program under this section, no later than thirty (30) days
7 after making a donation to a qualifying donee, the donor shall submit an
8 affidavit to any local government that the donor owes outstanding fines,
9 fees, or interest associated with the property. The affidavit shall contain:

- 10 1. The name and mailing address of the donor;
11 2. The address of the property that was donated;
12 3. The date the donation was made;
13 4. The identity of the qualifying donee; and
14 5. A list of all fines and fees owed to the local government associated
15 with the donated property.

16 The donor shall attach documentation to the affidavit sufficient to allow the
17 local government to verify that the property was donated to a qualifying
18 donee.

19 (c) A local government that has received an affidavit under paragraph (b) of
20 this subsection and has verified that the property has been donated to a
21 qualifying donee, shall:

- 22 1. Waive the fines, fees, and interest associated with the property as set
23 out in paragraph (a) of this subsection; and
24 2. Release any lien held by the local government in connection with a
25 fine or fee, other than a lien for delinquent property taxes.

26 ➔Section 2. KRS 65.355 is amended to read as follows:

27 (1) Any local government, the county or independent school district within the county,

1 and the Commonwealth of Kentucky may enter into an interlocal cooperation
2 agreement pursuant to KRS 65.210 to 65.300 for the purpose of establishing a land
3 bank authority pursuant to KRS 65.350 to 65.375.

4 (2) The authority shall be a public body corporate and politic with the power to sue and
5 be sued, issue deeds in its name, and any other powers necessary and convenient to
6 carry out these powers or that may be granted to the authority by the parties.

7 (3) The authority shall be established to acquire the tax delinquent properties of the
8 parties, properties that have become blighted or deteriorated as defined by KRS
9 99.705 and properties that have local government liens filed against them, to
10 facilitate the public purpose of returning property that is in a non-revenue
11 generating, non-tax producing status to effective utilization, including but not
12 limited to providing housing, new industry, and jobs for the citizens of the county.
13 The authority shall have the powers provided in KRS 65.370 and 65.375 and in the
14 interlocal cooperation agreement.

15 **(4) Any local government that creates a land bank authority shall establish a**
16 **program for granting property assessment or reassessment moratoriums pursuant**
17 **to KRS 99.595 to 99.605. Any residential building sold or otherwise disposed of as**
18 **part of a land bank program shall be eligible for a property assessment**
19 **moratorium certificate if such building is repaired, restored, rehabilitated or**
20 **stabilized in accordance with the provisions of KRS 99.595 to 99.605.**