



### **Section 15:**

The Heir Property Research Fund shall be funded by the following:

SB 86 increases the filing fee the county clerk shall receive for documents for which no specific fee is set from \$33 to \$34 for the first five pages. The additional dollar shall be paid to the heir property research fund and remitted by the county clerk within ten days following the end of the quarter in which the fee was received. Each remittance shall be accompanied by a summary report of a form prescribed by the Kentucky Real Estate Authority.

In layman's terms, this would help preserve family wealth passed to the next generation in the form of real property. For example, if your grandparents left no will, the property would have passed to their children, and their children's children, and perhaps you now own a partial interest in the property as well. The property in this scenario is known as "heirs' property" and often results in what is called "clouded" or "tangled" title. The clouded title can unfortunately create several legal and financial obstacles if not managed appropriately. SB 86 would seek to remedy this by providing financial assistance to these families to aid in research.<sup>1</sup>

As of November, 2022, 21 states have enacted the Uniform Partition of Heirs Property Act. In states that have not enacted this law, it may be more likely that heir's properties are sold at below market rate.<sup>2</sup>

### **The fiscal impact to local governments is expected to be minimal.**

The Kentucky County Clerks Association and the Kentucky Property Valuation Administrators (PVA) Association were contacted for feedback.

The Kentucky PVA Association responded they have never been privileged to court-ordered appraisals, but whereas SB 86 requires court-ordered appraisals to be available at the property administrator's office thus making them custodians of that data. Any appraisal would be helpful in the PVA's effort to assess property.

The administrative framework for filing in the county clerks' offices is currently in place and would remain unchanged except for remitting the summary report and the funds resulting from the increase in the fee payment to the Heir Property Research Fund.

### **Part III: Differences to Local Government Mandate Statement from Prior Versions**

Section II refers to SB 86 as introduced. There are no prior versions of this bill.

**Data Source(s):** LRC Staff; Kentucky County Clerks Association;  
Kentucky Property Valuation Administrator Association;  
U.S Department of Agriculture article titled "Knowledge of 'Heirs  
Properties' Issues Help Families Keep, Sustain Land", October 8,2021

(1) Booneville Sentinel article titled "Study to be Conducted in Several Counties in Kentucky Including Owsley County Concerning an Heirs Property", June 13, 2021;  
(2) www.ezelderlaw.com

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