



## **Legislative Update 1.9.23**

The 2023 legislative session was officially kicked off on Tuesday, January 3<sup>rd</sup>. In an odd-numbered year, the Kentucky General Assembly meets for a short, 30-day session. However, lawmakers take a 3 week break from January 9 – February 6.

The first week of session is usually procedural work and training for legislators, but the House hit the ground running. The House of Representatives passed HB1 – reducing the individual income tax to 4.5% for taxable years beginning January 1, 2023, and to 4% for taxable years beginning January 1, 2024.

As you may recall, during the 2022 session, the legislator enacted a tax reform measure with the passage of House Bill 8. This legislation will reduce the income tax in Kentucky from 5% to 4.5%. The goal of these reform measures is to gradually lower the income tax with the ultimate plan of eliminating the income tax entirely.

### **Wholesaling Real Estate**

For Kentucky REALTORS®, our top priority for the 2023 legislative session is the passage of our Wholesaling Real Estate legislation – HB 62. Our bill sponsor will be Speaker Pro Tempore David Meade. The practice of “real estate wholesaling” occurs when an individual enters into a contract to purchase real estate and immediately attempts to resell, for a profit, their interest in that real estate contract to a different purchaser before closing on the property. This practice is often indistinguishable from the activities a Kentucky real estate licensee engages in when marketing a property for a seller, yet the wholesaler is currently not required to hold a Kentucky real estate license.

KYR sees this as a consumer protection issue. Real property is their largest asset and the most significant financial decision a consumer makes in their lifetime. It is how many Kentuckians build generational wealth. Licensees have a fiduciary duty of loyalty, obedience, disclosure, confidentiality, care, and accounting. This means a licensee in Kentucky must put the needs of their client before their own. In addition, the Kentucky Real Estate Commission requires that a real estate licensee owes a duty to any consumer, client, or otherwise, of good faith and fair dealing. When real estate wholesaling is a licensable activity, both the buyer and seller will have accountability under the Kentucky Real Estate Commission's (KREC) authority.

Let me make this clear, KYR is NOT seeking to ban or prohibit the practice of real estate wholesaling. We would like to see individuals who advertise for sale an equitable interest in a contract for the purchase of a real property between a property owner and a prospective purchaser to obtain a real estate license.

Our team at KYR came up with the acronym “FOCUS” to help guide us through 2023. What does FOCUS stand for? Here you go:

**F – Fearless.** We are going to be fearless in our advocacy efforts. Your staff at KYR and your Government Affairs Committee (and QRT) will work fearlessly on your behalf to ensure the members of Kentucky REALTORS® are protected from harmful and burdensome regulation/legislation.

**O – Operation mindset.** KYR seeks constant improvement for our members. We will lead with the operational mindset of emphasizing the efficiency and importance of our membership and the consumer.

**C – Continuous communication.** Throughout the session and the interim period, we will strive to effectively communicate with our membership on all things related to your business in Frankfort.

**U – Universal commitment.** KYR is going to have a universal commitment to our members and affiliate partners.

**S – Steadfast.** We are going to be steadfast in enhancing the REALTOR® brand.

### **Legislative Meetings / Kentucky REALTORS® Hill Day**

You should have received an email from us last Friday with this information, but I wanted to make sure it was in front of you again. Registration for the annual Kentucky REALTORS® Legislative Days is now LIVE! Join us as we meet with our state elected officials and kick off the Ride with the Brand tour!

Please click the link below to register. The deadline to register is February 8, 2023, at 12 PM.



[REGISTER HERE FOR 2023 LEGISLATIVE MEETINGS](#)

This year’s Day on the Hill will be slightly different. In years past, we have held the presentation of the Jess Kinman Award in the Rotunda area of the Capitol building. This year, our group will meet in the Capitol building on the floor of the House of Representatives Chamber at 9:00 am for the presentation of the Jess Kinman Award. Once the program for that award has concluded, we will make our way to the

steps just outside the House chamber for our annual Hill Day picture. The meetings with your legislators will begin at 9:45 am and last till 11:45 am. The buses will depart Frankfort between 11:45 and noon.

## **QRT News**

### **Link to KYR Bill Tracker**

The Kentucky REALTORS® Legislative Quick Response Team (QRT) met for the first time on Friday, January 6<sup>th</sup>. The QRT is tasked with analyzing the legislation and determining which bills KYR will support, oppose, or monitor throughout a legislative session.

This year's QRT is chaired by AnnElizabeth Delahanty (GLAR) and Vice-Chaired by Kelley Nisbet (BR). Meeting every Friday at 1:00 pm, this committee is designed to be a fast-acting committee that takes a thorough look at legislation that affects real estate, housing, and property rights.

During our meeting on Friday, the QRT voted to support 1 bill, oppose 2 bills and monitor 8 bills.

### **Supported Bills (1):**

**HB62** (Meade, D) – This is the Real Estate Wholesaling legislation that KYR is running this session. Again, we are not seeking to ban or prohibit the practice of real estate wholesaling. We are asking that it be a licensed activity through the Kentucky Real Estate Commission.

### **Opposed Bills (2):**

**HB95** (Kulkarni, N) - This measure would specify the duties of a landlord with respect to abandoned personal property.

**HB128** (Kulkarni, N) - This legislation would apply the Uniform Residential Landlord and Tenant Act across the Commonwealth. The QRT feels this should be left up to the locals to implement, not a statewide mandate.

You can expect to receive KYR's Legislative Update every Monday during the session. We will keep you informed of the bills KYR is tracking (what we consider priority legislation that is both positive and negative) and tell you when we need your voices to be heard by our legislators. As always, please contact Richard Wilson, KYR Governmental Affairs Director, at [rwilson@kyrealtors.com](mailto:rwilson@kyrealtors.com) if you have questions or need information regarding the Kentucky General Assembly.

## **Upcoming Events**

**[2023 Kentucky REALTORS Legislative Meetings](#) – February 15-17 in Lexington/Frankfort.**

**2023 NAR REALTORS® Legislative Meetings – May 6-11 in Washington, D.C.**

## **Helpful Links**

[2023 Legislative Calendar](#)

[2023 Legislative Session Bill Record](#)

[Find My Legislator](#)

[SPC Reporting Form](#)