



Legislative Update 1.29.24

KYR Legislative Hill Day – Feb. 6, 2024

Kentucky REALTORS® will hold its annual Legislative Meetings and Hill Day next week. We hope all of you can join us next week as REALTORS® from all over the Commonwealth descend on Frankfort for the Kentucky REALTORS® Legislative Meetings. The full conference agenda is below.

The Kentucky REALTORS® Legislative Meetings kick off on Monday, February 5th with a full day of Committee meetings, followed by the RPAC Mixology Event that night. If you have never been to the RPAC Mixology Event at Malone’s Prime in Lexington, YOU ARE MISSING OUT! This is easily one of our best and most well-attended RPAC events of the year. I have included a link to register for the Mixology Event below.

On Tuesday, February 6th, we will load up the buses and head to Frankfort for Hill Day. The day will begin with an opening gathering in the House of Representatives Chamber and the presentation of this year’s Jess Kinman Award. REALTORS® will then meet with their legislators in the Annex to discuss KYR’s 2024 Legislative Priorities. The day will conclude with our annual Legislative Reception at Goodwood Brewery in Frankfort.

I hope you can join us next week for a fun week of advocacy in Lexington and Frankfort.

If you would like to keep track of all legislative activity, you can go to the [Legislative Record webpage](#), which allows users to read bills and follow their progression through the chambers. You can also track budget bills on the [2024 Budget Bills webpage](#).

[Click Here to REGISTER FOR RPAC MIXOLOGY](#)

[2024 Legislative Priorities](#)

Your role is critical in the legislative process!

As Kentucky REALTORS® members, your voice is critical to our success throughout the legislative session. When issues important to your business are moving, we will alert you and ask you to contact your legislators or provide feedback on proposed legislation. Strength in numbers matters in Frankfort, and we value your help and perspective as REALTOR® leaders.

Be on the lookout for an SPC Action Alert on HB88 in the State Senate this week! House Bill 88 has now been referred to the Senate Banking and Insurance Committee.

Legislative Meetings / Kentucky REALTORS® Hill Day

Registration for the annual Kentucky REALTORS® Legislative Days is now LIVE! Join us as we meet with our state elected officials!

[Click here to register for 2024 KYR Legislative Meeting.](#) The deadline to register is February 8, 2023, at 12 PM.

7:45 am – 8:00 am All aboard buses to Frankfort “Hill Day” Visit.

(Buses will leave at 8:00am sharp.)

Limited seating. Advanced registration required. (Fee associated)

9:00 am – 10:00 am Opening Remarks from President Featherstone and Presentation of the Jess Kinman Award in House Chamber

10:00 am – 10:15 am KYR Realtor Picture outside of House Chamber

10:15 am – 12:00 pm Local Associations & SPCs meet with Legislators.

12:00 pm – 12:15 pm All aboard buses to Limewater Bistro (900 Wilkinson Blvd.)

Limited seating. Advanced registration required. (Fee associated)

12:15 pm – 2:30 pm Lunch at Limewater Bistro

Ticketed Event. Advanced registration required. (Fee associated)

2:30 pm – 2:45 pm All aboard buses to the Kentucky Historical Society (KHS)

(100 W Broadway St.)

Limited seating. Advanced registration required. (Fee associated)

3:00 pm – 4:45 pm Legislative Debriefing – Hilary J. Boone Commonwealth Hall (KHS)

4:45 pm Shuttle will depart to Goodwood for those not able to walk (109 W. Main

Street) **Limited seating. Advanced registration required. (Fee associated)**

5:00 pm – 8:00 pm Legislative Reception at Goodwood of Frankfort

Ticketed Event. Advanced registration required.

8:00 pm – 8:15 pm All aboard buses to Embassy Suites

Limited seating. Advanced registration required. (Fee associated)

QRT News

Through the first four weeks of the legislative session, your QRT has already discussed nearly 50 pieces of legislation. The QRT has voted to **SUPPORT** 4 Bills, **OPPOSE** 3, and **Monitor** 42.

Two of the top priorities for Kentucky REALTORS® are now in front of legislators – House Bill 88 (40-Year Listing Agreement) and House Bill 222 (First-Time Homebuyer Savings Program).

The First-Time Homebuyer Savings Account legislation would establish a tax deduction for contributions made to an eligible savings account by a first-time home buyer and allow an exclusion from income for any interest earned from an eligible savings account of a first-time home buyer. If passed this session, the effective date would be January 1, 2025.

Thank you, Representative Timoney, for your continued support on this issue.



VOTE YES on HB 88

Unlawful Trade Practices: Sponsored by Rep. Michael Meredith

THE ISSUE

- In recent years, a real estate brokerage operating across the U.S., including KY, has introduced a new "program" essentially misleading homeowners into signing deceptive contracts.
- This predatory practice starts by a brokerage offering a one-time cash payment (ranging from \$300-\$5,000) to a homeowner in exchange for signing a contract that gives exclusive listing rights to the brokerage for 40 years.
- The brokerage then records that agreement at the County Clerk's office as a lien against the property. The lien runs with the land, not just the homeowner who originally signed the agreement, thus tying the hands of heirs to the property or future owners.
- At any point in time, if the seller decides to not use the brokerage to list their property the homeowner must pay a "termination fee" that is equal to the broker's commission.
- This particular brokerage operates in 30 states, including KY, and is subject to numerous lawsuits filed by Attorneys General in Florida, North Carolina, Ohio and Pennsylvania. In addition to legal action, 16 state legislatures have taken action to ban this deceptive and unfair practice.

THE SOLUTION

- HB 88 (Section 3) protects the consumer from these deceptive and predatory practices by making it clear that a residential listing service agreement, shall be limited to 2 years and shall **NOT be recorded in property records, NOT impose a lien on residential property, NOT bind future owners or run with the land.**
- HB 88 establishes penalties for a violation of the law to hold bad actors accountable.
- Vote YES on HB 88 to protect Kentucky Homeowners!



Kentucky REALTORS® Support HB 222: First-Time Homebuyer Savings Accounts

Sponsored by Rep. Killian Timoney

HB 222 creates a first-time homebuyer savings account program to help Kentuckians save money to purchase their first home. Funds deposited into the savings account can be deducted from the individual/couples income tax. The funds must be used for a down payment or closing costs on a single-family residence in Kentucky.

- Savings accounts may be opened at any financial institution defined in KRS 286.11-003 with a physical location in Kentucky (banks, credit unions, etc).
- Eligible for Kentuckians who have not owned a home in the last 10 years.
 - The program is authorized for a period of 10 years to give Kentuckians time to save from January 1, 2025-January 1, 2035.
- There is no limit on how much Kentuckians can deposit in the account, but there are limits on how much can be deducted from income taxes each year.
 - Individuals may deduct up to \$5,000 per year for a total of \$25,000 over 10 years
 - Couples/Joint Filers may deduct up to \$10,000 per year for a total \$50,000 over 10 years
 - The KY Dept. of Revenue may request documentation to verify contribution amounts and that funds were withdrawn and used for eligible costs by a first-time homebuyer. If funds are withdrawn for something other than eligible costs (down payment or closing costs) the deduction shall be claimed as an addition to income.
 - KY Department of Revenue shall submit a report to the legislature each year to evaluate the effectiveness of the program.

What has happened in other states?*

- 14 other states have first-time homebuyer savings account programs.
- Alabama and Oregon, states with population similar to Kentucky, reported 891 (AL) and 950 (OR) filers contributed to similar savings accounts in 2019.
- States have reported relatively small reductions in tax revenue; ranging from \$30,000 - \$2m per year.

Home ownership can provide significant benefits to the buyer as well as their communities. Help more Kentuckians take the first step towards homeownership and VOTE YES on HB 222!

*As Sources of First and Second Choice: Homebuyer Savings Accounts sponsored by Center for Business and Economic Research, Center for Business and Economic Research, University of Kentucky.

SUPPORT HB222
First-time Homebuyer Savings Account
 Sponsored by Rep. Killian Timoney

FIRST-TIME HOMEBUYER

- In 2023, first-time buyers made up 35% of income buyers, a decrease from 38% in 2021.
- Due to rising interest rates and the rise of homeownership, purchasing your first home is this market isn't easy.
- First-time home buyers often face barriers such as a down payment and rising interest rates.
- The difficulty in purchasing a home is a significant financial barrier, which often prevents a person from making their dream.

BACKGROUND

Over 10 million people in the United States are first-time homebuyers. The House of Representatives passed the First-Time Homebuyer Savings Account Act in 2021, which would create a new tax-advantaged savings account for first-time homebuyers.

LEGISLATION

HB 222 is a bill that would create a new tax-advantaged savings account for first-time homebuyers. The bill would allow first-time homebuyers to contribute up to \$5,000 per year to a new savings account, which would be deducted from their income tax. The funds in the account would be used for a down payment or closing costs on a single-family home in Kentucky.

OUR MISSION

Our mission is to provide quality real estate services to our members and the public. We are committed to helping our members achieve their real estate goals and to providing the highest quality of service to the public.



Supported Bills (3):

HB88 (Meredith, M) – This large consumer protection bill is carrying our 40-Year Listing Agreement language. The proposed legislation would protect consumers by making it clear that a residential listing service agreement, shall be limited to 2 years and shall not be recorded in property records, not impose a lien on residential property, not bind future owners or run with the land.

SB54 (Thomas, R) - This legislation is intended to streamline the process of returning the title to descendants and helps restore family wealth, in the form of real property, and increase taxable revenue for the county where it is located. In 2022, NAR voted to support Heirs Property legislation.

HB222 (Timoney, K) - would establish a tax deduction for contributions made to an eligible savings account by a first-time home buyer and allow an exclusion from income for any interest earned from an eligible savings account of a first-time home buyer. If passed this session, the effective date would be January 1, 2025.

SB122 (Girdler, R) – This will would allow landlords to file and practice a forcible detainer action.

Opposed Bills (3):

HB71 (Kulkarni, N) - will provide automatic expungement of records and actions of forcible entry and detainer.

HB75 (Kulkarni, N) - This measure would specify the duties of a landlord with respect to abandoned personal property.

HB76 (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 if you have questions or need information regarding the Kentucky General Assembly.

Upcoming Events

[2024 KYR Legislative Meetings](#) - February 5-7 in Lexington/Frankfort.

2024 NAR REALTORS® Legislative Meetings – May 4-9 in Washington, D.C.

2024 Summer Retreat – June 24 – 27, 2024 – French Lick, IN

2024 KYR Convention & Installation – September 23 – 26, 2024,– Lexington, KY

2025 Leadership Conference – December 2 – 4, 2024 – Lexington, KY

Helpful Links

[2024 Regular Session Calendar](#)

[2024 Regular Session Bill Record](#)

[Find My Legislator](#)