



Legislative Update 2.12.24



2024 Hill Day was a SUCCESS

The Kentucky REALTORS® held its annual KYR Legislative Meetings and Hill Day last week in Lexington and Frankfort. It was another record-breaking crowd for Hill Day as we saw over 200 REALTORS® in attendance. Thank you to our members who took time away from their businesses to visit with state legislators and advocate for issues that impact the real estate industry.

This year's recipient of the Jess Kinman Award is Kentucky House Majority Floor Leader Steven Rudy (Paducah). This prestigious award is given annually to a member of the General Assembly who goes above and beyond to promote the importance of homeownership and private property rights in Kentucky. We would like to thank Leader Rudy for all he has done for Kentucky REALTORS®.

[2024 Legislative Priorities](#)

KY RPAC Presents:

RPAC DAY AT THE RACES

EVENT HIGHLIGHTS

Keeneland Room
The Keeneland Room has one of the most stunning views of the race track.

Lunch Provided
You will enjoy a sit down 4-course meal before the races begin.

Personal Betologist
You will have access to a betologist throughout the day.

Private Bar
The Keeneland Room has it's own bar, so no waiting in lines!



11 AM - 6 PM
25
APRIL

KEENELAND RACE TRACK
LEXINGTON, KY

Keeneland Tickets are on sale NOW!

KY RPAC is happy to announce the 2024 RPAC Day at the Races will be held on Thursday, April 25th at the Keeneland Racetrack in Lexington, KY. Registration for the event is here! Tickets count towards your RPAC investment and include a four-course meal and an incredible view from the Keeneland Room for a day of horse racing! Tickets will sell out quickly, so be sure to register today!

[CLICK HERE TO REGISTER](#) or Scan the QR Code in the flyer above.

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 and HB222 in the House of Representatives! House Bill 88 has now been referred to the Senate Banking and Insurance Committee.

QRT News

KY REALTORS Weekly Bill Tracker

2024 Legislative Priorities

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** 10 Bills, **OPPOSE** 3, and **Monitor** 55.

Two of the top priorities for Kentucky REALTORS® are 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 populations 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 Analysis of First and Second Chance mortgage Savings Accounts prepared by Center for Business and Economic Research, Garton College of Business and Economics, University of Kentucky.

SUPPORT HB222

First-time Homebuyer Savings Account

Sponsored by Rep. Killian Timoney

FIRST-TIME HOMEBUYER

- In 2022, first-time buyers made up 35% of home sales, a decrease from 34% last year.
- Due to rising interest rates and the rise of home ownership, purchasing your first home is becoming more difficult.
- First-time homebuyers often face limited funds for a down payment and may require assistance in securing financing.
- The decision to purchase a home is a significant financial commitment, often times the largest purchase a person will make in their lifetime.

BACKGROUND

First-time homebuyers often struggle to save for a down payment and closing costs. A First-Time Homebuyer Savings Account allows them to save money for these expenses, which can be deducted from their income tax.

LEGISLATION

House Bill 222 creates a First-Time Homebuyer Savings Account program. The program allows first-time homebuyers to open a savings account and contribute up to \$5,000 per year. The account can be used for a down payment or closing costs on a single-family residence in Kentucky. The program is authorized for a period of 10 years, from January 1, 2025 to January 1, 2035.

OUR MISSION

Our mission is to help Kentuckians achieve the American dream of homeownership. We are committed to providing resources and support to first-time homebuyers.

www.kyrealtors.com



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 populations 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 Analysis of First and Second Chance mortgage Savings Accounts prepared by Center for Business and Economic Research, Garton College of Business and Economics, University of Kentucky.

Supported Bills (10):

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.

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.

HB391 (Herron, K) – A bill that we have seen in recent years that would prohibit discrimination in certain housing, real estate, and other financial transactions, including sexual orientation and gender identity.

HB403 (Meade, D) – This bill would create the Division of Real Property Boards within the Public Protection Cabinet. The Auctioneers, Home Inspectors, and Appraisers would now fall under the Division of Real Property Boards. The real estate licensees would remain under the Kentucky Real Estate Authority as the sole entity.

HB443 (Rudy, S) – would protect home rule while also helping developers at the same time. It would require local governments to implement objective standards when dealing with subdivision plats and development plans. This should help speed up the process for developers.

HB488 (Meredith, M) – would establish when a County Clerk shall file mortgage amendments so long as both parties agree.

HCR68 (Bridges, R) – would establish the Kentucky Housing Task Force to study, review, and provide policy recommendations on how to address the housing shortage in the Commonwealth.

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.

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

SB134 (Neal, G) - Would prohibit discrimination in certain housing, real estate, and other financial transactions, including sexual orientation and gender identity.

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 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](#)