



Legislative Update 2.26.24

Bill Filing Deadline is here!

Last week, the General Assembly had a short, but productive week. Lawmakers are scheduled to return today for day 38 of the 60-day session. Today also marks the last day to file new bills in the House while Wednesday is the last day to file new bills in the Senate.

We are excited to share that HB88 (40-year listing agreement, sponsored by Rep. Michael Meredith) will be heard in the Senate Banking and Insurance Committee TOMORROW at 12:00 PM EST. We encourage all REALTORS® to reach out to your State Senator to express our support on this very important consumer-protection measure.

Please click [here](#) for talking points to share with your State Senator on HB88.

So far this session, 694 House Bills have been filed, and 268 Senate Bills. You can expect that number to climb just a bit this week due to the filing deadlines.

The bill that saw the most debate last week is centered around the source of income on rental property. The bill, [House Bill 18](#) (Dotson, R), would prevent local governments from requiring landlords to accept tenants who use federal housing assistance. It would also prevent local governments from requiring landlords to pay fees related to emergency response calls to their properties.

Already having cleared the House, the Senate took up this measure and voted 25-11 to advance the bill. However, the bill must now go back to the House for concurrence due to some changes that were added in a Senate committee. The new version of the bill reflects language from a similar measure, [Senate Bill 25](#). If the House agrees to the revised measure, HB18 could soon be headed to the Governor's desk.

Bill Notes:

40-Year Listing Agreement: [House Bill 88](#) continues to be in a holding position due to the Senate Banking and Insurance Committee waiting to hear Senate Bills before they start to take up House Bills. However, we expect that holding position to change either this week or next week. For those of you who are Senate State Political Coordinators (SPCs), we will notify you when HB 88 is on the agenda in the Senate Banking and Insurance Committee so that you can reach out to your Senator.

KREA Reorganization Bill: [House Bill 403](#) passed 91-4 on the House Floor last Wednesday and is now headed to the Senate for final passage. HB 403 creates the Division of Real Property within the Public Protection Cabinet. This new Division will house the Appraisers, Auctioneers, and Home Inspectors. The real estate licensees will remain in the KY Real Estate Authority as the sole entity. KYR is in full support of this measure.

Transfers of Land Bill: [House Bill 657](#) will require an owner of land comprising a subdivision, in a county that has not adopted regulations under KRS Chapter 100, to record a plat of the subdivision in the office of the County Clerk. The QRT voted to support this measure during last week's QRT meeting.

Objective Standards for new development: [House Bill 443](#), a measure to ensure that local laws relating to subdivision plats and development are in the form of objective standards, passed the House on Friday and now heads to the Senate. KYR is in support of this measure.

[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.

NEW SPC Action Alert on HB88 in the State Senate. As mentioned above, HB88 will be heard in the Senate Banking and Insurance Committee on Tuesday, February 27th at 12:00 PM EST. Please reach out to your State Senator TODAY to encourage support on this bill.

QRT News

KY REALTORS Bill Tracker - Week 8.docx

2024 Legislative

Priorities

Through the first eight weeks of the legislative session, your QRT has already discussed nearly 80 pieces of legislation. The QRT has voted to **SUPPORT 12** Bills, **OPPOSE 4**, and **Monitor 67**.

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).

House Bill 88 is our 40-Year Listing Agreement language that is being carried by Rep. Michael Meredith. 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.

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 Meredith and Timoney, for your continued support on these issues.

Please see below for one-pagers on HB88 and HB222.



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.

- o Individuals may deduct up to \$5,000 per year for a total of \$25,000 over 10 years
- o 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 programs 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 Choice Homebuyer Savings Accounts prepared by Center for Business and Economic Research, Gatton College of Business and Economics, University of Kentucky.



Supported Bills (12):

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) establishes when a County Clerk shall file mortgage amendments so long as both parties agree.

HB657 (Bridges, R) will require an owner of land comprising a subdivision, in a county that has not adopted regulations under KRS Chapter 100, to record a plat of the subdivision in the office of the County Clerk. The QRT voted to support this measure during last week’s QRT meeting.

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 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.

SJR138 (Harper Angel, D) - Direct the creation of the Homestead Exemption Task Force to study the expansion of the homestead exemption. The President of Kentucky REALTORS® would serve as a member of the Task Force.

Opposed Bills (4):

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 concerning 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.

HB536 (Grossberg, D) - establish a civil cause of action for a tenant against a landlord who receives a citation for a violation of a local housing code and does not remedy the violation within 90 days. If passed it would provide that if the cost of the repair exceeds 12 months' rent, the landlord may refund rent and obtain possession of the property within 30 days.

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](#)