



## **Legislative Update 3.18.24**

### **8 Legislative Days Remaining!**

#### **[KY REALTORS Bill Tracker - Week 11](#)**

#### **[2024 Legislative Priorities](#)**

As we enter week 12 of the 2024 Legislative Session, HB 88 and HB 403 are still in holding on the Senate Floor. However, we expect both to pass before the end of the session and do not foresee any hiccups with either bill.

**HB 88** (40-Year Listing Agreement) has passed out of the Senate Banking and Insurance Committee and is expected to be heard on the Senate Floor this week. Senator Jared Carpenter has agreed to carry this bill on the Floor.

Thank you, Representative Meredith, and Senator Carpenter, for your continued support on this issue.

**HB 403** (KREA Reorganization) has passed out of the Senate State and Local Government Committee and has been placed on the Senate Consent Calendar. It could be heard as early as today! Once the bill passes out of the Senate, it must go back to the House for concurrence.

Thank you, Representative David Meade, for your work on this measure.

The Senate's proposal to the State Budget was presented last week. The bill, outlining General Fund allocations for fiscal years 2023-26, proposes a visionary \$3.5 billion investment from the Budget Reserve Trust Fund in various projects, a bold leap from the House's suggestion of \$1.8 billion.

Each of the following budget bills passed in the Senate this week and will now be discussed at length in what is called a free conference committee, a small group made up of House and Senate members.

HB 1 focuses on one-time investments in critical areas like infrastructure, economic development, and public safety, with the Senate introducing additional allocations to enhance Kentucky's future. These include funds for road improvements, biomedical excellence, and support for state employee retirees.

HB 6 reflects a collaborative effort towards a conservative and fiscally responsible state budget. The Senate's proposal within HB 6 emphasizes increased funding across education, corrections, health care, and veterans' services, aiming to address key needs and stimulate economic growth while maintaining fiscal prudence.

Additionally, HB 263 appropriates funds for the operations and maintenance of Kentucky's legislative branch, ensuring the continuity of legislative functions and effective governance within the state. Through strategic budget allocation, the Kentucky General Assembly aims to uphold its responsibilities and sustain operations in governing the commonwealth.



### 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!

## **Movement on Supported Bills:**

**Objective Standards** – [House Bill 443](#) sponsored by 2024 Jess Kinman Award recipient Rep. Steven Rudy, this bill will require local governments to implement objective standards when dealing with subdivision plats and development plans has passed the House, and Senate Committee, and is now on the Senate Floor for final passage.

**Mortgage Amendments** – [House Bill 488](#) sponsored by Rep. Michael Meredith, this bill will establish when a County Clerk shall file mortgage amendments as long as both parties agree. This bill has passed out of the Senate Judiciary Committee and has been placed on the Senate Consent Calendar.

**Plat Requirement** – [House Bill 657](#) sponsored by Rep. Randy Bridges, this measure 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. This bill has unanimously passed the House and has been received in the Senate for final passage.

Through the first 11 weeks of the legislative session, your QRT has already discussed nearly 100 pieces of legislation - **Supporting 12**, **Opposing 4**, and **Monitoring 82**.

### **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. On the Senate Floor this week!

**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. This bill has passed the House and is now on the Senate Floor this week.

**HB488** (Meredith, M) establishes when a County Clerk shall file mortgage amendments so long as both parties agree. This bill has passed the House and is now in the Senate Judiciary Committee.

**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. This bill has passed out of committee and will be on the House Floor this week.

**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.

**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.

**As I mentioned above, HB403 and HB88 will be heard on the Senate Floor soon. If you are an SPC, please reach out to your State Senator and ask them to vote YES on HB 403 and HB88.**

## **Upcoming Events**

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

- Hill Visits will be on Tuesday, May 7<sup>th</sup> in the Russell Senate Building (Kennedy Caucus Room)

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](#)

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.