

FILED WITH LRC
TIME: 12:45pm
MAR 24 2026
Amie Darnell
REGULATIONS COMPILER

1 OFFICE OF ATTORNEY GENERAL

2 Kentucky Office of Regulatory Relief

3 (Amendment)

4 40 KAR 12:420. Recreational and retirement use land sellers~~[disclosure costs.]~~

5 RELATES TO: KRS 367.472, 367.474, 367.477 367.478, 367.480, 367.486

6 STATUTORY AUTHORITY: KRS 15.180, KRS 367.150(4), 367.480, 367.484(5)

7 CERTIFICATION STATEMENT: This is to certify that this administrative regulation
8 amendment complies with the requirements of 2025 RS HB 6, Section 8.

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 15.180 authorizes the Attorney General
10 to promulgate administrative regulations that will facilitate performing the duties and exercising
11 the authority vested in the Attorney General and the Department of Law. KRS 367.150(4) requires
12 the Department of Law to recommend administrative regulations in the consumers' interest.~~[This~~
13 ~~administrative regulation is necessitated by]~~ KRS 367.478 requires recreational and retirement
14 use land sellers to register with the Attorney General. KRS 367.474 requires recreational and
15 retirement use land sellers to submit bonds or approved escrow accounts to the Attorney General.
16 KRS 367.480~~[, which]~~ requires the Attorney General to promulgate ~~[rules and]~~ administrative
17 regulations ~~[which will]~~ to ensure ~~[an]~~ adequate disclosures to potential purchasers~~[disclosure to~~
18 ~~the purchaser]~~ of recreational and retirement use land ~~[the probable costs of any necessary~~
19 ~~maintenance or improvements of such land which may accrue in the future].~~ KRS 367.480 and
20 KRS 367.484(5) authorize the Attorney General to promulgate administrative regulations
21 necessary to carry out the provisions of KRS 367.470 to 367.486, pertaining to recreational and

1 retirement use land sales. This administrative regulation establishes an online registration
2 application, bond form, and escrow agreement from to be used by recreational and retirement use
3 land sellers, and provides for oral and written disclosure requirements to potential purchasers.

4 Section 1. Definitions.

5 (1) “Recreational and retirement use seller” shall not mean to include sellers of “timeshares” or
6 “vacation clubs”.

7 (2) “Timeshare” means an arrangement whereby several joint owners have the right to use a
8 property as a vacation home under a time-sharing agreement.

9 (3) “Vacation club” means an arrangement whereby club members purchase discount vacation
10 stays, vacation plans, or services connected with the scheduling of vacations at properties owned
11 or provided by a vacation club seller.

12 Section 2. Registration of recreational use land sellers and retirement use land sellers.

13 (1) A seller shall not make sales of recreational and retirement use land to Commonwealth of
14 Kentucky residents for specific land unless the Attorney General approves a recreational and
15 retirement use land seller registration application in accordance with this regulation. An applicant
16 shall submit an online registration application using the “Recreational and Retirement Use Land
17 Sellers Registration Application portal” available at
18 <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>.

19 (2) To complete an online application, an applicant shall submit:

20 (a) Payment of the \$10.00 registration fee;

21 (b) The applicant’s certificate of existence; authorization certificate from the Kentucky
22 Secretary of State’s office, or other evidence of the applicant’s authority to transact business in
23 Kentucky;

1 (c) Copies of the written disclosures provided to potential purchasers in accordance with
2 Section 3 of this administrative regulation;

3 (d) Copies of all advertising and promotional materials; and

4 (d) If improvements to the land are not completed, or improvements are completed but
5 material or labor costs for same have not been paid:

6 (1) A completed Recreational & Retirement Use Land Sellers Performance Surety
7 Bond, form RR-1, a completed Recreational & Retirement Use Land Sellers Escrow
8 Agreement, form RR-2; or other completed surety bond or Attorney General approved
9 escrow agreement complying with KRS 367.474 approved by the Attorney General;

10 (2) A detailed list of the breakdown of each mortgage or other security instruments for
11 improvements;

12 (3) If KRS 367.474(1) improvements have not been made, a list of the improvements
13 which includes breakdown of costs, expected completion date for each improvement, and
14 copies of the general contractor's bid or other documents that support improvement costs;

15 (4) If improvements have been made but labor or material costs for same have not been
16 paid, a detailed list of the unpaid costs and copies of the contractors' bills supporting these
17 costs;

18 (3)(a) An applicant shall complete its application by submitting additional information or
19 documents within thirty (30) days of a request by the Attorney General.

20 (b) The Attorney General may deny an application if the applicant fails to timely complete
21 the application by not paying the application fee or not providing requested information or required
22 documents.

23 Section 3. Written and Oral Disclosures.

1 ~~[(1) Any subdivider of recreation]~~ A recreational and retirement use land seller ~~[as defined by KRS~~
2 ~~367.472]~~ shall give a full and complete disclosure to potential purchasers ~~[the purchaser]~~ of
3 recreational and retirement use land ~~[a lot, parcel, unit or other interest thereof of any]~~ regarding
4 probable costs of any necessary maintenance of improvements of said land which may accrue in
5 the future. A recreational and retirement use land seller shall make disclosures, ~~[Said disclosure~~
6 ~~must be made]~~ both orally and in writing, prior to a purchaser's ~~[the]~~ signing and execution of a
7 purchase contract or agreement ~~[to purchase]~~. Said disclosure shall include but is not limited to:

8 (1) The probable costs for each of the following:

9 (a) Maintenance of improvements;

10 (b) The cost of taxes for the property as of the date the contract or agreement to purchase
11 is signed, as well as any tax increases that will occur or which there is reasonable cause to
12 believe could occur within the next five (5) years;

13 (c) The cost of any assessments to the property at the time the contract or agreement to
14 purchase is signed, as well as a reasonable projection of increases in such assessments which
15 could occur within the next five (5) years;

16 (d) Cost of repairs and other improvements;

17 (2) Whether any maintenance of improvements costs, taxes, assessments, repair or other
18 improvement costs are being assumed or borne by the seller ~~[subdivider]~~ at the time the sale
19 solicitation ~~[for sale]~~ is made and, if so, the amount assumed by the seller ~~[subdivider]~~ for each
20 such item, the date the seller ~~[subdivider]~~ will no longer assume or bear said costs, and identity of
21 other persons ~~[those]~~ who will assume or bear such costs once the seller ~~[subdivider]~~ is no longer
22 liable;

1 (3) Whether any person or persons, [~~as defined by KRS 367.472(3),~~] other than the seller
2 [~~subdivider~~], assumes or bears any maintenance costs, taxes, assessments, repair or improvement
3 costs at the time the solicitation for sale is made and, if so, the amount assumed by this person or
4 persons for each such item, the date this person or persons will no longer assume or bear such
5 costs, and those who will assume or bear such costs once this person or persons is no longer liable;

6 (4) Whether membership in an organization or association of property owners is required and
7 whether the cost of said association is borne in whole or in part by the seller[~~subdivider~~] or the
8 purchaser. If such costs are borne in whole or in part by the seller[~~subdivider~~], the seller
9 [~~subdivider~~] must disclose:

10 (a) The amount of costs being borne by the seller[~~subdivider~~] and the amount being borne
11 by the purchasers;

12 (b) The amount of cost to the purchaser when the seller[~~subdivider~~] stops bearing the costs;

13 (c) The date on which the seller[~~subdivider~~] will stop bearing the costs; and

14 (d) The number of property owners and/or association members upon which this cost figure
15 is based;

16 (5) Any projection of cost that has been made or can reasonably be made for future repairs or
17 improvements to the property within the next five (5) years which will be paid directly or indirectly
18 by the purchaser;

19 (6) Whether future development and/or construction is anticipated by the seller[~~subdivider~~] and
20 whether said development and/or construction can reasonably be expected to result directly or
21 indirectly in added costs for maintenance of improvements, taxes, assessments, repairs, or other
22 improvements to a property owner. If additional costs are anticipated, the seller [~~subdivider~~] must
23 disclose:

- 1 (a) Whether these costs will be borne in whole or in part by the seller[~~subdivider~~];
- 2 (b) The amount of costs being borne by the seller[~~subdivider~~];
- 3 (c) The date on which the seller[~~subdivider~~] will stop bearing the cost;
- 4 (d) The amount of the costs to the purchaser for the next five (5) years; and
- 5 (e) The number of property owners upon which this cost figure is based;
- 6 (7) Any other costs or fees assessed directly or indirectly to the purchaser for maintaining the
- 7 property that can be reasonably anticipated by the seller[~~subdivider~~] for the next five (5) years.

8 ~~[Section 2. (1) The subdivider shall file with the Office of the Attorney General, Division of~~

9 ~~Consumer Protection, a copy of the written disclosure[s] required by Section 1 of this regulation~~

10 ~~The subdivider is required to keep current the information on which the disclosures required by~~

11 ~~Section 1 of this regulation are based and shall immediately notify the division of any material~~

12 ~~changes in the information contained in the disclosure and shall make appropriate amendment of~~

13 ~~the written and oral disclosure statement.~~

14 ~~Section 3. Penalties. Any person who fails to make the oral and written disclosures required by~~

15 ~~Section 1 of this regulation shall be subject to prosecution pursuant to KRS 367.484.]~~

16 Section 4. Exemptions. A recreational and retirement use land seller who is exempt from

17 registration by reason of KRS 367.486 and the Interstate Land Sale Full Disclosure Act (15 U.S.C.

18 Secs. 1701-1720) shall submit copies of its federal registration statements using the “Recreational

19 and Retirement Use Land Sellers Registration Application portal” available at

20 <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>

21 Section 5. Written notification of material changes. A registered recreational and retirement use

22 land seller shall notify the Attorney General, in writing, within fourteen (14) days of any material

1 change to information provided in the registrant’s original application, application attachments,
2 written disclosures to purchasers, or written notices.

3 Section 6. Record Requests. A recreational and retirement use land seller shall make requested
4 business records, documents and information related to an investigation or inquiry readily
5 available to the Attorney General for inspection and copying upon request.

6 Section 7. Incorporation by Reference. (1) The following material is incorporated by reference:

7 (a) “Recreational and Retirement Use Land Sellers Registration Application Portal”,
8 March 2026;

9 (b) “Recreational & Retirement Use Land Use Sellers Bond” Form RR-1, March 2026;
10 and

11 (c) “Recreational & Retirement Use Land Sellers Escrow Agreement”, Form RR-2,
12 March 2026”

13 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law,
14 at the Office of the Attorney General Capital Complex East, 1024 Capital Center Drive, Suite 200,
15 Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m. This material is also
16 available on the Attorney General’s website, <https://ag.ky.gov/Pages/default.aspx>.

READ AND APPROVED



Stephen B. Humphress, Executive Director
Kentucky Office of Regulatory Relief
Office of Attorney General

March 24, 2026

Date



Russell Coleman, Attorney General
Department of Law

March 24, 2026

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this proposed administrative regulation shall be held on June 23, 2026, at 11:00 a.m. Eastern Time at the Office of Administrative Hearings, Conference Room B, 105 Sea Hero Road, Suite 2, Frankfort, KY 40601. Individuals interested in being heard at this hearing shall notify the Attorney General in writing at least five (5) working days prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m. on June 30, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Stephen B. Humphress, Executive Director, Kentucky Office of Regulatory Relief, Kentucky Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, phone: 502-696-5408, fax: (502) 573-8317, email: steve.humphress@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation #: 40 KAR 12:420

Contact Person: Stephen B. Humphress

Phone Number: 502-696-5408

Email: steve.humphress@ky.gov

Subject Headings: Attorney General; Occupations and Professions; Bonds; Real Estate

(1) Provide a brief summary of:

(a) What this administrative regulation does? This administrative regulation establishes an online registration application form, surety bond form, and an escrow agreement form to be used by recreational and retirement use land sellers and provides required disclosures to potential purchasers.

(b) The necessity of this administrative regulation: This regulation is necessary to provide the method by which the Office of Attorney General (“Attorney General”) may perform its statutory mandates.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 15.180 directs the Attorney General to promulgate administrative regulations that will facilitate the performance of duties vested in the Attorney General and the Department of Law. KRS 367.150(4) requires the Department of Law to study the operation of all laws, rules, administrative regulations, orders, and state policies affecting consumers and to recommend administrative regulations in the consumers' interest. KRS 367.478 and 367.474 require recreational and retirement land use sellers to register with the Attorney General and provide a surety bond or escrow account as security. KRS 367.480 requires the Attorney General to promulgate administrative regulations to ensure adequate disclosures to recreational and retirement land use purchasers. KRS 367.484(5) authorizes the Attorney General to promulgate administrative regulations necessary to carry out the provisions of KRS 367.470 to 367.486.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the online registration application form, bond form and escrow agreement form to be used by recreational and retirement land use sellers. This administrative regulation establishes written and oral disclosures to purchasers.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment makes changes to comply with KRS Chapter 13A drafting requirements. This amendment removes unnecessary language from the regulation as duplicative and already incorporated by reference in incorporated application processes. The amendment updates the incorporated

forms so that they are easier to understand and consistent in appearance. The amendment clarifies that timeshares and vacation clubs are excluded from the provisions of KRS 367.470 to 367.486.

(b) The necessity of the amendment to this administrative regulation The Attorney General needs to update its regulation to conform to KRS Chapter 13A drafting requirements. The Attorney General needs to update its regulation so that it is easier to understand. The Attorney General needs to update the forms incorporated by the regulation so that they are easier to understand and complete. The Attorney General needs to modernize application and payment processes by providing for online processes.

(c) How the amendment conforms to the content of the authorizing statutes: As previously explained, KRS 15.180, 367.150(4), 367.480, and 367.484(5) authorize the administrative regulation amendments.

(d) How the amendment will assist in the effective administration of the statutes: The regulation amendments will cause the regulation to be more easily understood by regulated entities and consumers. The regulation amendments will provide online application process for regulated entities and cause the forms used by regulated entities to be more easily understood and completed. In addition, it is intended that the regulation amendments will result in saved administrative resources and provide quicker processing time by Attorney General staff.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? No

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This regulation amendment affects approximately seventeen (17) recreational and retirement use land sellers, the Attorney General, and unknown future applicants.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: Future applicants will be required to use the online application process and updated forms incorporated into this regulation. Registered recreational and retirement use land sellers will not be impacted. Attorney General staff will review and process the new online submissions and new forms for compliance with law.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): Applicants and registered recreational and

retirement use land sellers will bear no additional costs since they will be able to download the updated forms and use the online processes available on the Attorney General's website at no cost. The Attorney General will have no additional costs.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4): The regulation amendments are intended to make the regulation and incorporated forms to be more easily understood and completed. The online application processes will make it easier for applicants and regulated entities to apply and provide required documentation. In addition, it is intended that the regulation amendments will result in saved administrative resources and time and provide quicker processing time by Attorney General staff.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There are no costs to implement this administrative regulation amendment.

(b) On a continuing basis: There are no continuing costs to implement this administrative regulation amendment.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation? There are no additional costs associated with implementing this administrative regulation amendment, so no funding is needed.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: There is no anticipated increase in fees or funding necessary to amend this administrative regulation.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increased any fees: This administrative regulation amendment does not directly or indirectly increase any fees.

(10) TIERING: Is tiering applied? [Explain why or why not] No. This administrative regulation applies equally to all recreational and retirement use land sellers.

FISCAL IMPACT STATEMENT

Administrative Regulation #: 40 KAR 12:430

Contact Person: Stephen B. Humphress

Phone Number: 502-696-5408

Email: steve.humphress@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 15.180, 367.150(4), 367.472, 367.474, 367.477, 367.480, 367.486, 367.488, and 367.407

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: 1960 Ky. Acts Ch. 68, Art. II, sec. 1; 1972 Ky. Acts Ch. 4, sec. 4; and 1978 Ky. Acts Ch. 316, sec. 6.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The Office of Attorney General, Kentucky Office of Regulatory Relief (“Attorney General”) is the promulgating agency. The regulation does not affect any other state agencies.

(b) Estimate the following for each affected state unit, part, or division in (3)(a):

1. Expenditures:

For the first year: There are no expenditures to administer this administrative regulation for the first year.

For subsequent years: There will be no expenditures to administer the administrative regulation in subsequent years.

2. Revenues:

For the first year: The administrative regulation will generate no revenues to the Attorney General in the first year.

For subsequent years: The administrative regulation will generate no revenues to the Attorney General in subsequent years.

3. Cost Savings:

For the first year: In the first year, the Attorney General will have cost savings through adopted online processes in the regulation amendment which are difficult to estimate at this time but estimated to be *de minimis*.

For subsequent years: In subsequent years, the Attorney General will have cost savings through adopted online processes in the regulation amendment which are difficult to estimate at this time but estimated to be *de minimis*.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): The administrative regulation will not affect any local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: This administrative regulation will not cause expenditures by local entities for the first year.

For subsequent years: This administrative regulation will not cause expenditures by local entities in subsequent years.

2. Revenues:

For the first year: Local entities will receive no revenues from this administrative regulation for the first year.

For subsequent years: Local entities will receive no revenues from this administrative regulation in subsequent years.

3. Cost Savings:

For the first year: Local entities will receive no cost savings from this administrative regulation for the first year.

For subsequent years: Local entities will receive no cost savings from this administrative regulation for subsequent years.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): Applicants, registered recreational and retirement use land sellers, and exempt organizations will be affected by this administrative regulation.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: This administrative regulation will not cause applicants, recreational and retirement use land sellers, and exempt organizations to have any additional expenditures for the first year.

For subsequent years: This administrative regulation will not cause applicants, recreational and retirement use land sellers, and exempt organizations to have any additional expenditures for subsequent years.

2. Revenues:

For the first year: Applicants, recreational and retirement use land sellers, and exempt organizations will not receive any revenues directly from this administrative regulation for the first year.

For subsequent years: Applicants, recreational and retirement use land sellers, and exempt organizations will not receive any revenues directly from this administrative regulation for subsequent years.

3. Cost Savings:

For the first year: For the first year, applicants, recreational and retirement use land sellers, and exempt organizations will receive cost savings from online application processes provided by this administrative regulation amendment which are difficult to estimate at this time but estimated to be *de minimis*.

For subsequent years: For subsequent years, applicants, recreational and retirement use land sellers, and exempt organizations will receive cost savings from online application and reporting processes provided by this administrative regulation amendment which are difficult to estimate at this time but estimated to be *de minimis*.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administrative regulation will have no fiscal impact. The regulation amendment creates an online application for businesses and

does not affect other governmental agencies or local governments. The regulation does not affect any other governmental agencies or local governments. The regulation amendment does not establish any fees. For these reasons, the regulation amendment is not expected to have any significant fiscal impact.

(b) Methodology and resources used to reach this conclusion: The Attorney General used a quantitative methodology analysis based on history of administrative agencies which license or register businesses in a specific subject area and the resulting facts from this regulation. The Attorney General used staff resources in determining the fiscal impact.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): There is not an expected “major economic impact” from this regulation for the Attorney General, any local entities, or affected regulated entities.

(b) The methodology and resources used to reach this conclusion: The Attorney General used a quantitative methodology analysis based on history of administrative agencies which license or register businesses in a specific subject area and resulting facts from this regulation. The Attorney General used staff resources in reaching the conclusion that no overall negative or adverse major economic impact results from this administrative regulation.

SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

Administrative Regulation #: 40 KAR 12:430

Contact Person: Stephen B. Humphress

Phone Number: 502-696-5481

Email: steve.humphress@ky.gov

- I. “Recreational and Retirement Use Land Sellers Registration Application Portal”, Mar. 2026. Recreational and retirement use land sellers and exempt sellers will use this online application portal to register or submit exemptions with the Attorney General. The online application consists of four (4) online pages. Attached as Appendix I are printed copies of the online application pages.
- II. “Recreational & Retirement Use Land Sellers Bond” Form RR-1, Mar. 2026. This bond form may be used by a recreational and retirement use land seller when submitting a required surety bond to the Attorney General. The form consists of two (2) pages. Attached as Appendix II.
- III. “Recreational & Retirement Use Land Sellers Escrow Agreement”, Form RR-2, Mar. 2026. The escrow agreement form may be used by a recreational and retirement use land seller, in lieu of a surety bond, to the Attorney General. The form consists of two (2) pages. Attached as Appendix III.

Appendix I

Recreational and Retirement Use Land Sellers Registration application portal pages

Kentucky Office of Regulatory Relief ("KORR") Compliance and Registration Branch Portal

Please complete all the information below for all pages and upload any requested documents to submit an online application.

KORR recommends turning on the autofill feature in your web browser to make filling out online forms easier.

Please omit commas in all number fields.

Application Information ▾

Registration Type (required)

- Auto Dialer
- Telemarketer
- Debt Adjuster
- Business Opportunity (if you are claiming an exemption to the Business Opportunity Statutes, select Franchise Exemption below)
- Franchise Exemption
- Recreation & Retirement Use Land Seller
- Buying & Vacation Club Seller
- Health Spa
- Prior Approval to obtain Excess Going Out of Business Sale License
- Transient Merchant
- Contact Lenses
- Visual Aid Glasses

Legal Name of Applicant Recreational & Retirement Land Use Seller (required)

Doing Business as (DBA) name(s)

If multiple DBAs, please list all with semi-colons between each DBA.

Formerly Known as (FKA) name(s)

Business Mailing Street Address (required)

Business City (required)

Business State (required)

Business Zip Code (required)

Contact Person Name (required)

Contact Person Phone (required)

Contact Person Email (required)

Please provide the following information regarding the Applicant (required)

State of incorporation, organization, formation, or existence (required)

Please attach a copy of the Applicant's certificate of existence, or authorization certificate, from the Kentucky Secretary of State's Office, or provide other evidence of the Applicant's authority to transact business in the Kentucky. (required)

Instructions for obtaining certificates can be found at: <https://www.sos.ky.gov/bus/businessrecords/Pages/default.aspx>

or drag file(s) here

Page 1 of 4

Bond Exemption/Bond Amount ▼

Please attach a completed Surety Bond, Form RR-2, or Cash/CD Assignment, Form RR-3, for proper bond amount (required)

or drag file(s) here

Page 2 of 4

[Previous](#)

Development/Property Information ▾

Street address of property development to be offered for sale and promoted for its recreational or retirement purposes (required)

Property Development City (required)

Property Development State (required)

Property Development Zip Code (required)

Does applicant own the real property/land for property development? (required)

- Yes
 No

How many total number of lots, parcels, units, or interests, including undivided interests, will be offered for sale? (required)

If the property development is located outside Kentucky, how many lots, parcels, units, or interests, including undivided interests, does the Applicant anticipate will be purchased by Kentucky residents? (required)

Description of the property development to be offered for sale and promoted for its recreational or retirement purposes. (Please include a statement as to whether there is a promise of future completion of improvements (e.g., roads, lakes, golf courses, stables, etc.); and whether the property is presently or is proposed to be divided into ten (10) or more lots, parcels, units, or interests, including undivided interests, whether contiguous or not.) (required)

Attach additional pages if needed.

Has the property development's road system and the grading to all lots been completed? (required)

- Yes
- No

Will the road system and the grading allow full and complete ingress and egress to all lots being offered for sale? (required)

- Yes
- No

Will the Applicant charge maintenance fees to purchasers to be used for the maintenance, care, and security of the development? (required)

- Yes
- No

Will improvements be promised or offered to potential purchasers? (required)

- Yes
- No

Attach copies of all written promotional material(s), email(s), and webpage screenshot(s), or other electronic advertising that will be used to advertise or promote the development/property to potential purchasers (required)

If needed, attach additional pages related to previous questions here as well.

or drag file(s) here

Signature of Seller/Applicant ▾

Typed Name as Electronic Signature - Recreation & Retirement Use Land Seller (required)

By submitting this application, the undersigned does hereby swear or affirm under penalty of perjury, the following:

1. The undersigned is authorized to complete this form on behalf of the applicant.
2. The information and any attachments provided in and with this application are true and correct.
4. The applicant agrees to notify the Attorney General of any material change in any information or attachments provided in or with this application within seven (7) days of any change.

5. The applicant agrees to provide requested records, documents and information to the Attorney General within a reasonable time after requested.
6. The applicant understands that its registration application may be denied and a registration suspended or revoked by the Attorney General.

I understand and agree that my typed name below has the same legal force and effect as my original manual signature and I have typed my name below with intent to sign this report by electronic means in compliance with the Kentucky Uniform Electronic Transaction Act codified at KRS 369.101 to 369.120.

Typed Name as Electronic Signature

Title of Seller/Applicant Representative (required)

Signature Date (required)

03/23/2026	
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Required \$10.00 application fee - Recreation & Retirement Use Land Seller (required)

By checking "Yes", I understand my renewal will not be processed until the required \$10.00 renewal fee has been paid.

Payment Link:

<https://ky.accessgov.com/businessregistrationapplication/Forms/Page/businessregistrationapplication/korr/1>

Yes



COMMONWEALTH OF KENTUCKY
OFFICE OF ATTORNEY GENERAL
Kentucky Office of Regulatory Relief
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
<https://ag.kv.gov>

RECREATIONAL & RETIREMENT LAND USE SELLER
PERFORMANCE SURETY BOND (RR-1)

SECTION A – (PRINCIPAL)

Legal name of recreational & retirement land use seller (Principal): _____
DBA (Doing Business As): _____
Registration No: *(if any)* _____ Street Address: _____
City: _____ State: _____ Zip Code: _____
Name of Contact Person: _____
Contact Person Phone: _____ Contact Person Email: _____

SECTION B – SURETY BOND

KNOW ALL PERSONS BY THIS DOCUMENT, that the above-identified Recreational & Retirement land use seller, _____, AS PRINCIPAL, and _____, a legal entity organized and existing under the laws of the State of _____, and authorized to transact surety insurance business in the Commonwealth of Kentucky under KRS Chapter 304, AS SURETY, are held and firmly bound unto the Commonwealth of Kentucky Attorney General for the benefit of any person(s) suffering injury and loss by reason of any violation of or related administrative regulation, AS OBLIGEE, in the full penal sum of _____ Thousand Dollars (\$_____,000.00), lawful money of the United States of America, for the payment of which we hereby bind ourselves, jointly and severally, our heirs, executors, administrators, successors, and assigns firmly by these presents.

WHEREAS, the above-named Principal has applied to register with the Attorney General as a Recreational & Retirement Land Use seller and is required to furnish a surety bond or other security with such registration in accordance with the provisions of KRS 367.474.

NOW, THEREFORE, the condition of this obligation is such, that if the Principal shall faithfully and honestly fulfill all its obligations to the Obligee in accordance with the provisions of KRS 367.470 to KRS 367.486 or related administrative regulation; all advertised improvements are timely made; and no person(s) suffer loss from the Principal Recreational & Retirement land use seller's activities by virtue of such registration, then this obligation shall be released; otherwise, to remain in full force and effect.

This Bond becomes EFFECTIVE this the _____ day of _____, 20_____.

The Surety may cancel this bond at any time by filing thirty (30) days' written notice of its intent to cancel or terminate this bond with the Attorney General. The Surety shall not be discharged from any liability already accrued under this bond, or which shall accrue before expiration of the thirty (30) day period.

This BOND shall not become void upon the first recovery thereon but may be sued upon from time to time until the full amount thereof shall have been exhausted.

(continued on next page)

SECTION B – SURETY BOND *(continued)*

By submitting this completed Surety Bond form, the undersigned hereby swears and affirms, under penalty of perjury, that the undersigned has authority to execute and sign this Surety Bond on behalf of the Principal Recreational & Retirement land use seller identified in Section A above; and, that the Principal agrees to be bound by the terms of this Bond.

<i>(Signature of Principal Representative)</i>	<i>(Date Signed)</i>
<i>(Printed Name)</i>	<i>(Title)</i>

The undersigned hereby swears and affirms, under penalty of perjury, that the undersigned has authority to execute and sign this Surety Bond on behalf of the Surety, and that the Surety will be bound by the terms of this Bond.

<i>(Signature of Surety Representative)</i>	<i>(Date Signed)</i>
<i>(Printed Name)</i>	<i>(Title)</i>

INSTRUCTIONS

1. *When submitting an online application and improvements to land are not completed, a Seller must complete and submit either this Recreational & Retirement Use Land Sellers Performance Surety Bond, form RR-1, a completed Recreational & Retirement Use Land Sellers Escrow Agreement, form RR-2; or other completed surety bond or approved escrow agreement complying with KRS 367.474.*

2. *For property developments located in Kentucky, the surety bond amount shall be the total cost of future improvements and unpaid labor/material costs.. For property developments located outside Kentucky, the following formula shall be used to calculate the surety bond amount:*

*x = amount of bond to be posted
y = total dollar value of future improvements
a = total number of anticipated units to be sold to Kentucky residents
b = total number of units offered for sale*

Formula: $x = y (a/b)$

<i>Example:</i>	<i>y = \$10,000,000</i>	<i>x = \$10,000,000 (3000/10,000)</i>
	<i>a = 3,000 lots</i>	<i>x = \$10,000,000 (.3)</i>
	<i>b = 10,000 lots</i>	<i>x = \$ 3,000,000</i>



For Official Use Only

**COMMONWEALTH OF KENTUCKY
OFFICE OF ATTORNEY GENERAL**
Kentucky Office of Regulatory Relief
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
<https://ag.kv.gov>

**RECREATIONAL & RETIREMENT LAND USE SELLER
ASSIGNMENT OF CASH OR CERTIFICATE OF DEPOSIT (RR-2)**

SECTION A - RECREATIONAL & RETIREMENT LAND USE SELLER (ASSIGNOR)

Legal name of recreational & retirement land use seller (Assignor): _____
DBA (Doing business as): _____
Registration No: *(if any)* _____ Street address: _____
City: _____ State: _____ Zip code: _____
Name of contact person: _____
Contact person phone: _____ Contact person email: _____

SECTION B - CASH BOND OR CERTIFICATE OF DEPOSIT ASSIGNMENT

WHEREAS, the above-identified Recreational & Retirement land use seller, _____,
AS ASSIGNOR, has applied to register with the Attorney General as a recreational & retirement land use seller and is
required to furnish a performance surety bond or other security with such registration in accordance with the provisions
of KRS 367.474.

NOW, THEREFORE, the Assignor hereby assigns, transfers and sets over unto the Commonwealth of Kentucky
Attorney General, AS ASSIGNEE, for the benefit of any person(s) suffering injury and loss by reason of any violation
of KRS 367.470 to KRS 367.486 or related administrative regulation, the following security: (check one)

- _____ Dollars (\$____,000.00), cash in interest bearing escrow account no. _____.
- Certificate of Deposit Number _____ in the amount of _____ Dollars (\$_____.00).

This security is held in escrow by the financial institution/bank, _____, located at
_____ (street), in the City of _____, Commonwealth of Kentucky (hereinafter
“Depository”) pursuant to an escrow agreement provided herewith and approved by the Assignee.

The Assignor shall deposit fifty percent (50%) of sales receipts for subdivided lots received from its recreational &
retirement land use sales until an amount is accumulated in the above-referenced escrow account which is sufficient to
pay all needed labor and supplies necessary to complete the improvements advertised by the Assignor.

The Assignor hereby waives all of its right(s), title, and interest(s) in said security until the Assignee notifies the
Depository, in writing, of its release of this Assignment. This Assignment is made as security for the Assignor’s
performance of its duties as a registered recreational & retirement land use seller in conformity with KRS 367.470 to
KRS 367.486 and related administrative regulations. If the Assignor shall faithfully and honestly fulfill all its duties; all
advertised improvements are timely made; and no person(s) suffer loss from the Assignor’s recreational & retirement
land use seller activities by virtue of such registration, this Assignment shall be released.

(Continued on next page)

SECTION C - CASH BOND OR CERTIFICATE OF DEPOSIT ASSIGNMENT *(continued)*

The Assignee is hereby authorized to charge against the above-security to recover damages resulting from any violation of KRS 367.470 to KRS 367.486 and related administrative regulations by the Assignor. The Depository is directed to pay up to the full principal amount on deposit as security to Assignee upon demand, and such payment shall constitute an Acquittance of the Depository.

The Depository shall concurrently give notice to the Attorney General of the additional Deposits or if additional Certificates of Deposits are purchased; and the Escrow Agent shall notify the Attorney General of the receipt of same, including the amount, the account number or the certificate number, and the term, if applicable. In any event, such additional deposits or purchases shall be subject to the terms of this Agreement.

The Depository shall not pay any portion of the principal or interest amounts in the escrow account(s) to Assignor until the Depository has received a written release of this Assignment from the Assignee. The security shall not be withdrawn or encumbered without prior written approval of the Assignee.

Any certificate of deposit security shall also include any substitutions for, additions, or renewals to, the certificate identified above.

By submitting this completed Assignment form, the undersigned hereby swears and affirms, under penalty of perjury, that the undersigned has authority to sign this Assignment on behalf of the Assignor Recreational & Retirement land use seller identified in Section A above; and, that the Assignor agrees to be bound by the terms of this Assignment.

(Signature of Assignor R&R Land Use Seller)

(Date Signed)

(Printed Name)

(Title)

The undersigned hereby swears and affirms, under penalty of perjury, that the undersigned has authority to execute and sign this Assignment on behalf of the Depository; and, that the Depository will be bound by the terms of this Assignment.

(Signature of Depository Bank/Financial Institution)

(Date Signed)

(Printed Name)

(Title)

The undersigned hereby swears and affirms, under penalty of perjury, that the undersigned has authority to approve and sign this Assignment on behalf of the Assignee Attorney General; and, that the Assignee approves and will be bound by this Assignment.

(Signature of Assistant Attorney General)

(Date Signed)

(Printed Name)

(Title)

INSTRUCTIONS

1. *When submitting an online application and improvements to land are not completed or all costs have not been paid, a seller must complete and submit either this Recreational & Retirement Use Land Sellers Performance Surety Bond, form RR-1, a completed Recreational & Retirement Use Land Sellers Escrow Agreement, form RR-2; or other completed surety bond or escrow agreement complying with KRS 367.474 approved by the Attorney General.*

2. *With the approval of the Attorney General, a seller may submit a completed Recreational & Retirement Use Land Sellers Escrow Agreement, form RR-2, or other approved escrow account, and place fifty percent (50%) of the sales receipts for subdivided lots in the escrow account until the amount necessary to: make all the improvements has been accumulated, to make all the seller advertised improvements has been accumulated, or pay all suppliers of labor and materials has accumulated..*