



1 OFFICE OF ATTORNEY GENERAL

2 Kentucky Office of Regulatory Relief

3 (New Administrative Regulation)

4 40 KAR 12:520. Transient Merchant Permit Bonds.

5 RELATES TO: KRS 365.680

6 STATUTORY AUTHORITY: KRS 15.180, 367.150(4), 365.680

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. KRS
13 365.680 requires a transient merchant permit applicant to file a surety bond with the Attorney
14 General when the aggregate market value of goods, wares or merchandise to be sold is \$1,500 or
15 more. This administrative regulation establishes the form to be used by a transient merchant permit
16 applicant when submitting the required surety bond.

17 Section 1. Transient Merchant Permit Bond Submission. When an applicant submits a transient
18 merchant permit application to a county clerk or an urban county government officer and the
19 aggregate market value of goods, wares or merchandise to be sold is \$1,500 or more, the applicant
20 shall complete and submit a "Transient Merchant Permit Bond Notice", Form T-1, to the Attorney
21 General's office, and submit a surety bond complying with KRS 365.680.

1 Section 2. Incorporation by Reference. (1) “Transient Merchant Permit Bond Notice”, Form T-
2 1, Nov. 2025, is incorporated by reference.

3 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at
4 the Office of the Attorney General, Capital Complex East, 1024 Capital Center Drive, Suite 200,
5 Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m. This material is also
6 available on the Office’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

November 11, 2025

Date



Russell Coleman, Attorney General
Department of Law

November 11, 2025

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on January 27, 2026, at 10:00 a.m. Eastern Time at the Office of Administrative Hearings, Conference Room B, 105 Sea Hero Road, Suite 2, Conference Room B, Frankfort, KY 40601. Individuals interested in being heard at this hearing shall notify this 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 January 31, 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 12:520

Contact Person: Stephen B. Humphress

Phone Number: 502-696-5481

Email: steve.humphress@ky.gov

Subject Headings: Attorney General; County Clerks; Occupations and Professions; Bonds; and Fireworks and Explosives

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation prescribes the methods whereby transient merchants shall file statutorily required surety bonds with the Office of Attorney General ("Attorney General") when applying for a local transient merchant permit from a county clerk.

(b) The necessity of this administrative regulation: This regulation is necessary because it allows the Attorney General to 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 365.680 requires a transient merchant permit applicant to file a surety bond with the Attorney General when the aggregate market value of goods, wares or merchandise to be sold is one thousand five hundred dollars (\$1,500) or more.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation prescribes the methods by which an applicant for a transient merchant permit may file required surety bonds with the Attorney General. The regulation will benefit transient merchants and local county clerks by making it possible to match the bonds filed with the Attorney General with the local permit applications filed with the county clerks.

(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: Not applicable

(b) The necessity of the amendment to this administrative regulation: Not applicable

(c) How the amendment conforms to the content of the authorizing statutes: Not applicable

(d) How the amendment will assist in the effective administration of the statutes: Not applicable

(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: Transient merchants file approximately one hundred and fifty (150) surety bonds with the Attorney General each year. Transient merchants correspondingly file approximately one hundred and fifty (150) permit applications with local county clerks that relate to the filed surety bonds. The Attorney General currently maintains one hundred and forty-eight (140) active surety bonds filed by transient merchants.
- (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: Applicants for transient merchant permits will be required to use the new notice when submitting surety bonds required by statute. The Attorney General will review and process the notice and surety bonds after submission. Local county clerks will process transient merchant permit applications more quickly by confirmation of applicants' submissions of required bonds to the Attorney General.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): Transient merchants will bear no costs to comply with this regulation. The form will be available for free download on the Attorney General's website. The Attorney General will have no additional costs to implement this regulation. Local county clerks will have no additional costs by implementation of this regulation.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (4): The regulation will allow transient merchants to submit transient bonds to the Attorney General easily and have their local permit applications processed more quickly. The Attorney General will benefit from saved administrative time and resources, and quicker processing, through the adopted notice form. When processing local transient merchant permit applications, local county clerks will benefit from timely notice that required surety bonds have been filed with the Attorney General.
- (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.
 - (b) On a continuing basis: There are no continuing costs to implement this administrative regulation.
- (7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There are no costs associated with implementing this administrative regulation. Enforcement costs, if any, would be minimal and would be absorbed into regular employee duties.
- (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 implement this administrative regulation.

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

(10) TIERING: Is tiering applied? No.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Administrative Regulation #: 40 KAR 12:520

Contact Person: Stephen B. Humphress

Phone Number: 502-696-5481

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, KRS 367.150(4), KRS 365.680 authorize the action taken in this administrative regulation.

(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, effective March 17, 1960; and 1972 Ky. Acts ch. 4, sec. 4.

(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 from efficient and quicker processing of bonds 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 from efficient and quicker processing of bonds 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 county clerks will have cost savings from efficient and quicker processing of local transient merchant permit applications in the first year resulting from timely notice that required surety bonds have been filed with the Attorney General. These cost savings are difficult to estimate at this time but estimated to be de minimis.

For subsequent years: Local county clerks will have cost savings from efficient and quicker processing of local transient merchant permit applications for subsequent years resulting from timely notice that required surety bonds have been filed with the Attorney General. These cost savings are difficult to estimate at this time but estimated to be de minimis.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): Transient merchants will be affected by this administrative regulation 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 transient merchants to have any additional expenditures for the first year.

For subsequent years: This administrative regulation will not cause transient merchants to have any additional expenditures for subsequent years.

2. Revenues:

For the first year: Transient merchants will not receive any revenues from this administrative regulation for the first year.

For subsequent years: Transient merchants will not receive any revenues from this administrative regulation for subsequent years.

3. Cost Savings:

For the first year: For the first year, transient merchants will receive cost savings from efficient and quicker processing of local transient merchant permit applications by local county clerks and corresponding surety bonds filed with the Attorney General. These cost savings are difficult to estimate at this time but estimated to be de minimis.

For subsequent years: For subsequent years, transient merchants will receive cost savings from efficient and quicker processing of local transient merchant permit applications by local county clerks and corresponding surety bonds filed with the Attorney General. These cost savings 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 new regulation merely creates a form for transient merchants to submit with the bonds that they are statutorily required to submit to the Attorney General. The form permits the Attorney General to match bonds with local transient merchant permit applications filed with county clerks efficiently and quickly. The regulation does not affect any other governmental agencies or local governments. There are no registration or filing fees established by this regulation. For these reasons, the regulation 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 12:520

Contact Person: Stephen B. Humphress

Phone Number: 502-696-5481

Email: steve.humphress@ky.gov

1. "Transient Merchant Permit Bond Notice," Form T-1, Nov. 2025. The form is to be used by transient merchant permit applicants when they submit required surety bonds to the Attorney General. Form allows Attorney General to match filed bonds with local transient merchant permit applications filed with local court clerk. The form consists of two (2) pages.

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MEMORANDUM

TO: Steve B. Humphress, Executive Director, Office of Regulatory Relief, Office of the Attorney General

FROM: Emily Caudill, Regulations Compiler

RE: Proposed Amendments or New Regulations – 040 KAR 012:520

DATE: November 12, 2025

A copy of the administrative regulation listed above is enclosed for your files. This regulation is **tentatively** scheduled for review by the Administrative Regulation Review Subcommittee at its **FEBRUARY 2026** meeting. We will notify you of the date and time of this meeting once it has been scheduled.

Pursuant to KRS 13A.280, **if** comments are received during the public comment period, a Statement of Consideration or a one-month extension request for this regulation is due **by noon on February 13, 2026**. Please reference KRS 13A.270 and 13A.280 for other requirements relating to the public hearing and public comment period and Statements of Consideration.

If you have questions, please contact us at RegsCompiler@LRC.ky.gov or (502) 564-8100.

Enclosures

T-1
(Nov. 2026)



Date Received: _____
Fee Paid: _____
Date Reviewed: _____
Reviewed By: _____

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>

TRANSIENT MERCHANT PERMIT BOND NOTICE (T-1)

SECTION A – TRANSIENT MERCHANT INFORMATION

Complete the following:

Name of transient merchant permit applicant submitting bond: _____
Doing business as (DBA) name(s) *(if any)*: _____
Business mailing street address: _____
City: _____ State: _____ Zip code: _____
Contact person name: _____
Contact person phone: _____ Contact person email: _____
County of clerk to issue permit: _____ Street address for sale location: _____
Date sale/permit to begin: _____ Date sale/permit to end: _____
Aggregate market value of goods, wares or merchandise to be sold: \$ _____
Bond amount for bond submitted with this notice: \$ _____
Bond number of bond submitted with this notice: _____

SECTION B – SIGNATURE OF TRANSIENT MERCHANT

By submitting this notice, the undersigned transient merchant or its representative, does hereby swear or affirm under penalty of perjury, the following:

- (1) The undersigned is authorized to complete this form on behalf of the transient merchant permit applicant identified in Section A.
- (2) The information in this notice and attached surety bond are true and correct.
- (3) The transient merchant applicant has complied with all provisions in KRS 365.650 to 365.695.
- (4) When business is concluded, the applicant agrees to provide satisfactory proof to the Attorney General that it has satisfied all claims of purchasers of its goods, wares or merchandise, and that all state and local sales taxes and other taxes have been paid.

(Signature of Transient Merchant Permit Applicant Representative)

(Date Signed)

(Printed Name)

(Title)

INSTRUCTIONS

This completed form, with a completed surety bond that complies with KRS 365.680, must be submitted to the Attorney General at:

*Kentucky Office of Attorney General
Kentucky Office of Regulatory Relief
1024 Capital Center Drive, Suite 200,
Frankfort, KY 40601*