

1 AN ACT relating to housing opportunities.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
4 READ AS FOLLOWS:

5 *As used in Sections 1 to 19 of this Act:*

- 6 *(1) "Duplex" means a structure divided into two (2) separate dwelling units with a*
7 *separate entrance for each;*
- 8 *(2) "Dwelling" or "dwelling unit" means a house, apartment, or other place of*
9 *residence;*
- 10 *(3) "Home occupation" means a business conducted full-time or part-time in a*
11 *dwelling unit that serves as the principal residence of the person conducting the*
12 *business;*
- 13 *(4) "Nuisance" means the unreasonable interference with the possessory interest of*
14 *an individual in the use or enjoyment of that person's land, including pollution,*
15 *loud noises, unpleasant odor, mist, dust, harmful use of pesticides, or vibration;*
- 16 *(5) "Public transportation stop" means a location where a bus or other public mass*
17 *transit service routinely picks up and drops off passengers;*
- 18 *(6) "Quadplex" means a structure divided into four (4) separate dwelling units, with*
19 *a separate entrance for each;*
- 20 *(7) "Secondary dwelling unit" means a secondary house or apartment that is located*
21 *on the same lot as a primary house;*
- 22 *(8) "Tiny home" means a dwelling that is less than five hundred (500) square feet in*
23 *size and is:*
- 24 *(a) Site-built and affixed to a permanent foundation;*
- 25 *(b) Pre-fabricated, with final assembly being affixed to a permanent*
26 *foundation; or*
- 27 *(c) Portable, being affixed to a chassis or similar base, not intended for*

1 permanent placement on a site; and

2 (9) "Triplex" means a structure divided into three (3) separate dwelling units, with a
3 separate entrance for each.

4 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
5 READ AS FOLLOWS:

6 Sections 1 to 19 of this Act may be cited as the Housing Opportunities Made Easier Act
7 or the HOME Act.

8 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
9 READ AS FOLLOWS:

10 (1) A political subdivision shall not establish minimum square footage requirements
11 on dwellings unless those requirements are necessary to protect health and safety.

12 Any minimum square footage requirement that is in excess of any minimum
13 square footage requirement in the Kentucky Residential Code or the Kentucky
14 Building Code, as applicable, shall be presumed not to be necessary to protect
15 health and safety.

16 (2) A political subdivision shall not establish minimum square footage requirements
17 on lots.

18 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
19 READ AS FOLLOWS:

20 (1) Except as otherwise provided in this section, a political subdivision shall not
21 establish design requirements on the aesthetics of dwellings, garages, and
22 accessory buildings unless those requirements are necessary to protect health and
23 safety or the structural integrity of the buildings. Those requirements include but
24 are not limited to:

25 (a) Requiring or prohibiting a certain architectural style of dwelling;

26 (b) Requiring or prohibiting certain exterior building materials;

27 (c) Requiring a certain amount or style of landscaping, unless the landscaping

1 is necessary to address drainage and water runoff, or to create permeable
2 surfaces; and

3 (d) Requiring garages or establishing architectural requirements on garages,
4 unless necessary to protect health and safety or the structural integrity of
5 the garage.

6 (2) Aesthetic decisions relating to dwellings, garages, and accessory buildings shall
7 be at the sole discretion of the property owner or a homeowner's association.
8 Aesthetic features that are not necessary to protect health and safety or the
9 structural integrity of dwellings, garages, and accessory buildings shall be
10 presumed permissible unless the aesthetic feature:

11 (a) Constitutes a nuisance; or

12 (b) Conflicts with already existing design standards made applicable by way of
13 a property's inclusion within a historic district established prior to the
14 effective date of this Act.

15 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
16 READ AS FOLLOWS:

17 (1) Any zone that allows single-family homes shall also allow duplexes. A political
18 subdivision may require duplexes to comply with reasonable setback and height
19 restrictions applicable to single-family homes, but shall not establish additional
20 requirements or restrictions on duplexes.

21 (2) Any zone in a city that allows single-family homes shall also allow triplexes and
22 quadplexes. A political subdivision may require triplexes and quadplexes to
23 comply with setback and height restrictions applicable to single-family homes, but
24 shall not establish additional requirements or restrictions on triplexes or
25 quadplexes.

26 (3) A political subdivision shall not prohibit or restrict a property owner from fully or
27 partially demolishing or removing an existing structure on a single-family zoned

1 property that the owner wishes to convert to a duplex, triplex, or quadplex.

2 (4) A political subdivision shall not prohibit or restrict a property owner from
3 subdividing an existing single-family zoned lot in a manner and number
4 consistent with the establishment of a duplex, triplex, or quadplex on that lot.

5 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
6 READ AS FOLLOWS:

7 (1) An attached or detached secondary dwelling unit shall be allowed on any lot that
8 contains a single-family home.

9 (2) A political subdivision may establish reasonable and objective restrictions on
10 secondary dwelling units. These restrictions include reasonable setback
11 requirements. Reasonable restrictions shall not include:

12 (a) A requirement that the secondary dwelling unit have a permanent
13 foundation;

14 (b) A prohibition on a secondary dwelling unit being a mobile tiny home;

15 (c) A requirement that the owner of the single-family home also own the
16 secondary dwelling unit;

17 (d) A requirement that the owner of the single-family home reside on the
18 property that has a secondary dwelling unit;

19 (e) A prohibition on renting the secondary dwelling unit; or

20 (f) A requirement that the occupant of the secondary dwelling unit be related
21 by blood or marriage to the owner of the single-family home.

22 (3) If a political subdivision requires permits for secondary dwelling units, then
23 permit applications that comply with the political subdivision's reasonable
24 restrictions, if any, shall be submitted for approval. If a permit is not denied
25 within thirty (30) days of submission, then that permit shall be deemed to have
26 been approved.

27 (4) An owner of a lot where a single-family home exists may rent space on the lot to

1 one (1) mobile tiny home, in lieu of a secondary dwelling unit. The owner need
2 not own the mobile tiny home. This arrangement shall not require a permit,
3 registration, or other form of permission.

4 (5) A political subdivision shall not prohibit or restrict an owner of a lot where a
5 single-family home exists from subdividing that lot for the purpose of locating a
6 secondary dwelling unit on that lot.

7 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
8 READ AS FOLLOWS:

9 (1) An owner of a lot zoned for residential use shall be allowed to locate a tiny home
10 on that lot. The tiny home may be inhabited by the owner of the lot, or it may be
11 rented to others. A political subdivision shall not restrict how long a tiny home
12 may be rented by persons other than the owner, or how long the tiny home may
13 be located on the lot.

14 (2) Any single-family residential dwelling constructed after June 15, 1976, in
15 accordance with the National Manufactured Housing Construction and Safety
16 Standards Act of 1974, 42 U.S.C. sec. 5401 et seq., as amended, and designed to
17 be used as a single-family residential dwelling with or without permanent
18 foundation when connected to the required utilities, and which includes the
19 plumbing, heating, air conditioning, and electrical systems contained therein,
20 shall be permitted in any residential zone without requiring any additional
21 standards or inspections.

22 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
23 READ AS FOLLOWS:

24 (1) Notwithstanding the provisions of this chapter to the contrary, any permit
25 required under the authority of this chapter related to the use or construction of a
26 dwelling unit, except for a secondary dwelling unit as provided in Section 6 of
27 this Act, shall be deemed approved if not denied within sixty (60) days of

1 submission.

2 (2) A political subdivision shall not require more than two (2) hearings related to the
3 use or construction of a dwelling, including all hearings before the legislative
4 body of the political subdivision, zoning board, or other body. This provision does
5 not include a resident's inquiries made to a political subdivision's elected officials
6 or staff or other state or local officials. This provision shall not affect an
7 applicant's right to appeal an adverse zoning decision.

8 (3) A political subdivision shall not charge a fee for a permit or approval related to
9 the use or construction of a dwelling unit that is substantially in excess of other
10 similar permits or approvals. The total charges for permits and necessary
11 approvals relating to the use or construction of a dwelling unit shall not exceed
12 five hundred dollars (\$500).

13 (4) A political subdivision shall not require permit applicants to pay for an
14 unreasonable number of studies related to the use or construction of a dwelling
15 unit, nor charge an unreasonable expense for the studies.

16 (5) Any conditions imposed as part of the issuance of a permit related to the use or
17 construction of a dwelling unit shall bear a clear nexus to the project or use for
18 which the permit is issued.

19 (6) Any conditions imposed as part of the issuance of a permit shall be expressly
20 stated at the time of the issuance of the permit and shall not be modified
21 thereafter.

22 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
23 READ AS FOLLOWS:

24 (1) Notwithstanding provisions of this chapter to the contrary, a request for a
25 variance related to the use or construction of a dwelling unit shall be deemed
26 approved if not denied within sixty (60) days of submission, except for variances
27 related to a secondary dwelling unit, which shall be deemed approved if not

1 denied within thirty (30) days of submission.

2 (2) A political subdivision shall not require more than two (2) hearings for the
3 granting of a variance related to the use or construction of a dwelling unit
4 including all hearings before the legislative body of the political subdivision,
5 zoning board, or other body.

6 (3) The total amount of fees for the granting of a variance related to the use or
7 construction of a dwelling unit, including any amount required to be held in
8 escrow, shall not exceed five hundred dollars (\$500).

9 (4) Any conditions imposed as part of the granting of a variance related to the use or
10 construction of a dwelling unit shall bear a clear nexus to the project or use for
11 which the variance is granted.

12 (5) Any conditions imposed as part of the granting of a variance shall be expressly
13 stated at the time of the granting of the variance and shall not be modified
14 thereafter.

15 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
16 READ AS FOLLOWS:

17 The construction of a dwelling unit shall not be conditioned on minimum parking
18 requirements if the dwelling unit is located within one-half (1/2) of a mile of a public
19 transportation stop.

20 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
21 READ AS FOLLOWS:

22 (1) (a) Home occupations shall be allowed within all residential zoning districts
23 unless the home occupation would result in a nuisance.

24 (b) Residents conducting home occupations that are allegedly in violation of
25 this subsection may request a hearing before a code enforcement board
26 operating under the provisions of KRS 65.8801 to 65.8839, if a code
27 enforcement board enforces land use ordinances for the political

1 subdivision, or otherwise before the planning commission of the political
2 subdivision. No resident shall be required to cease his or her home
3 occupation prior to a decision from the code enforcement board or planning
4 commission, as appropriate.

5 (2) A political subdivision may establish reasonable restrictions on the operation of a
6 home occupation to prevent the home occupation from being a nuisance.

7 However, these restrictions shall not include:

8 (a) Prohibitions on storing inventory or using equipment on the premises,
9 including outside the dwelling, unless the inventory or equipment usage
10 could reasonably be considered a genuine public safety hazard or other
11 nuisance;

12 (b) Prohibitions on any customers from visiting the dwelling containing the
13 home occupation, except that reasonable restrictions on parking and the
14 number of daily or weekly customers shall be allowed;

15 (c) Prohibitions for the numbers of nonresident employees working at the home
16 occupation that are set at two (2) or less;

17 (d) Requirements for structural modifications to the dwelling containing the
18 home occupation;

19 (e) Restrictions on the amount of floor space of the dwelling to be used for the
20 home occupation;

21 (f) Prohibitions on certain types of home occupations unless those businesses
22 would inherently cause a nuisance;

23 (g) Prohibitions on home occupations that are for charitable purposes; or

24 (h) A limit on the number of home occupations operating in one (1) dwelling.

25 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
26 READ AS FOLLOWS:

27 Subject to the local powers reserved in Sections 1 to 19 of this Act, and unless

1 *otherwise provided by law, a political subdivision shall not prohibit or restrict:*

2 *(1) Residential uses in commercial zones; and*

3 *(2) Commercial or noncommercial uses for charitable purposes in commercial zones.*

4 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
5 READ AS FOLLOWS:

6 *A political subdivision shall not:*

7 *(1) Limit or restrict the number of dwellings that may be offered for rent by a*
8 *property owner on a particular parcel of land;*

9 *(2) Limit the amount of rent, deposits, or fees a property owner may require to rent a*
10 *dwelling;*

11 *(3) Set minimum or maximum durational restrictions for renting dwellings;*

12 *(4) Restrict the number of unrelated residents from living together in a dwelling*
13 *unless the residents create a risk to public health and safety, or constitute a*
14 *nuisance; or*

15 *(5) Require a permit to offer a property for rent for any amount of time, whether for*
16 *a short or long term.*

17 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
18 READ AS FOLLOWS:

19 *All zoning ordinances adopted pursuant to this chapter shall have a substantial*
20 *connection to protecting public safety and health, the reasonable enjoyment and*
21 *expectation of property, and preventing nuisances. Otherwise a zoning ordinance is*
22 *invalid and unenforceable.*

23 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
24 READ AS FOLLOWS:

25 *(1) Any person who is allegedly harmed by a political subdivision's law, action, or*
26 *omission in violation of Sections 1 to 19 of this Act shall have a right to challenge*
27 *that law, action, or omission in a court of competent jurisdiction.*

1 (2) Any person filing a court challenge under this section shall not be required to
 2 first exhaust administrative remedies before filing the challenge.

3 (3) If a court finds that a political subdivision's contested action was in violation of a
 4 requirement under the Section 1 to 19 of this Act of which the requirement itself
 5 was not subject to ambiguity or interpretation, then the individual filing the
 6 challenge shall be entitled to an award of reasonable attorney fees.

7 (4) Any ambiguity in Sections 1 to 19 of this Act, or a zoning law enacted by a
 8 political subdivision, shall be construed in favor of the maximum use of property
 9 desired by the owner of the property in question.

10 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
 11 READ AS FOLLOWS:

12 (1) Any person may reasonably rely on the representations of a government official,
 13 acting in his or her official capacity, with respect to an interpretation of a
 14 relevant statute, ordinance, restriction, or regulation relating to the provisions of
 15 this chapter.

16 (2) Estoppel shall be an affirmative defense in any action alleging noncompliance of
 17 a zoning ordinance if the accused person can demonstrate that he or she
 18 reasonably relied on the representations of a government official.

19 (3) A political subdivision is estopped from bringing a code enforcement action
 20 alleging noncompliance of a zoning law if the accused person can demonstrate
 21 that that the alleged violation was open and known to the code enforcement entity
 22 or its agents for a period of at least two (2) years.

23 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO
 24 READ AS FOLLOWS:

25 (1) A political subdivision shall amend its zoning code to comply with Sections 1 to
 26 19 of this Act no later than twelve (12) months after the effective date of this Act.

27 (2) The failure of a political subdivision to amend its code pursuant to this section

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shall not:

(a) Affect the applicability of Sections 1 to 19 of this Act; or

(b) Prevent a property owner from fully exercising his or her rights under Sections 1 to 19 of this Act, including the right to construct any dwellings allowed under Sections 1 to 19 of this Act.

➔SECTION 18. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO READ AS FOLLOWS:

Nothing in Sections 1 to 19 of this Act shall be construed to:

(1) Impede the ability of homeowners associations or other private deed-restricted communities from setting their own rules or regulations for their residents; or

(2) Restrict the creation of new dwellings in nonresidential zones.

➔SECTION 19. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 19 of this Act:

(1) Do not restrict:

(a) A political subdivision's police powers to prohibit the use of tents, crates, or other nonpermanent structures in parks, sidewalks, and other public places; and

(b) The power of a political subdivision to permit single-family homes in any zone allowing dwellings;

(2) Extend to all zones that permit dwellings of any kind;

(3) Do not restrict the power of a political subdivision to enact more permissive zoning ordinances than as provided in Sections 1 to 19 of this Act.

➔Section 20. KRS 141.435 is amended to read as follows:

As used in KRS 141.435 to 141.437:

(1) "Active solar space-heating system" means a system that:

(a) Consists of solar energy collectors that collect and absorb solar radiation

- 1 combined with electric fans or pumps to transfer and distribute that solar heat;
- 2 (b) May include an energy storage space-heating system to provide heat when the
3 sun is not shining; and
- 4 (c) Is installed by a certified installer;
- 5 (2) "Certified installer" means an installer who has satisfied the professional
6 certification standards established by the North American Board of Certified
7 Energy Practitioners (NABCEP) and who has been certified as a NABCEP
8 Certified Solar PV Installer or a NABCEP Certified Solar Thermal Installer;
- 9 (3) "Combined active solar space-heating and water-heating system" means a system
10 that meets the requirements of both an active solar space-heating system and a solar
11 water-heating system and is installed by a certified installer;
- 12 (4) "Commonwealth" means the Commonwealth of Kentucky;
- 13 (5) "Dwelling unit" includes a manufactured home~~[as defined in KRS 100.348]~~;
- 14 (6) "Energy-efficient interior lighting system" means an interior lighting system that
15 meets the maximum reduction in lighting power density requirements for the
16 federal energy efficient commercial building deduction under 26 U.S.C. sec. 179D,
17 as in effect December 31, 2007;
- 18 (7) "Energy-efficient heating, cooling, ventilation, or hot water system" means a
19 heating, cooling, ventilation, or hot water system that meets the requirements for
20 the federal energy-efficient commercial building deduction under 26 U.S.C.
21 sec. 179D, as in effect December 31, 2007;
- 22 (8) "Energy-efficient windows and storm doors" means windows and storm doors that
23 are:
- 24 (a) ENERGY STAR-labeled; and
- 25 (b) Certified by the National Fenestration Rating Council as meeting the North-
26 Central U.S. climate zone performance standards for U-factor (nonsolar heat
27 conductance), solar heat gain coefficient, air leakage, visible-light

1 transmittance, and condensation resistance;

2 (9) "ENERGY STAR" shall have the same meaning as in KRS 56.770;

3 (10) "Installed cost" means the following, less any discounts, rebates, sales tax,
4 installation-assistance credits, name-referral allowances, or other similar reductions:

5 (a) The purchase cost of equipment, components, and associated design; and

6 (b) Labor costs properly allocable to the on-site preparation, assembly, and
7 original installation of the property, including piping or wiring to interconnect
8 such property to the dwelling unit or commercial property;

9 (11) "Passive solar space-heating system" means a system that:

10 (a) Takes advantage of the warmth of the sun through the use of design features
11 such as large south-facing windows and materials in the floors or walls that
12 absorb warmth during the day and release that warmth at night;

13 (b) Includes one (1) or more of the following designs:

14 1. Direct gain which stores and slowly releases heat energy collected from
15 the sun shining directly into the building and warming materials such as
16 tile or concrete;

17 2. Indirect gain which uses materials that are located between the sun and
18 the living space such as a wall to hold, store, and release heat; or

19 3. Isolated gain which collects warmer air from an area that is remote from
20 the living space, such as a sunroom attached to a house, and the warmer
21 air flows naturally to the rest of the house; and

22 (c) Meets the guidelines and technical requirements for passive solar design
23 established by administrative regulation pursuant to KRS 141.436(7);

24 (12) "Qualified energy property" means the following property that meets the
25 performance, quality, and certification standards of and that would have been
26 eligible for the federal tax credit for residential energy property expenditures under
27 26 U.S.C. sec. 25C, as it existed on December 31, 2007:

- 1 (a) An electric heat pump water heater;
- 2 (b) An electric heat pump;
- 3 (c) A closed loop geothermal heat pump;
- 4 (d) An open loop geothermal heat pump;
- 5 (e) A direct expansion (DX) geothermal heat pump;
- 6 (f) A central air conditioner;
- 7 (g) A natural gas, propane, or oil furnace or hot water heater;
- 8 (h) A hot water boiler including outdoor wood-fired boiler units; or
- 9 (i) An advanced main air circulating fan;
- 10 (13) "Solar photovoltaic system" means a system for electricity generation that:
- 11 (a) Includes solar photovoltaic panels, structural attachments, electrical wiring,
- 12 inverters for converting direct current output to alternating current, and
- 13 appropriate controls and safety measures for output monitoring;
- 14 (b) Meets the requirements of Article 690 of the National Electrical Code;
- 15 (c) Uses solar photovoltaic panels and inverters that are rated and listed by
- 16 Underwriters Laboratories; and
- 17 (d) Is installed by a certified installer;
- 18 (14) "Solar water-heating system" means a system that:
- 19 (a) Uses solar-thermal energy to heat water;
- 20 (b) 1. Is an indirect pressurized glycol system that uses propylene glycol; or
- 21 2. Is an indirect drainback system that uses distilled water or propylene
- 22 glycol;
- 23 (c) Uses OG-100 solar thermal collectors that are:
- 24 1. Certified by the Solar Rating and Certification Corporation; and
- 25 2. Covered by a manufacturer's warranty of not less than five (5) years;
- 26 (d) Is installed by a certified installer; and
- 27 (e) Is warranted by the certified installer for a period of not less than two (2)

1 years;

2 (15) "Upgraded insulation" means insulation with the following R-value ratings:

3 (a) Attic insulation rated R-38 or higher;

4 (b) Exterior wall, crawl space, and basement exterior wall insulation rated R-13
5 or higher; and

6 (c) Floor insulation rated R-19 or higher; and

7 (16) "Wind turbine" or "wind machine" means a turbine or machine used for generating
8 electricity that:

9 (a) Is certified as meeting the United States Wind Industry Consensus Standards
10 developed by the American Wind Energy Association in partnership with the
11 United States Department of Energy;

12 (b) Is covered by a manufacturer's warranty of not less than five (5) years;

13 (c) Is in compliance with all relevant building codes, height restriction variances,
14 other special code requirements, and zoning ordinances;

15 (d) Has been installed in accordance with all building codes and all permits were
16 received prior to the start of construction and installation;

17 (e) Is in compliance with all applicable Federal Aviation Administration
18 regulations;

19 (f) Meets all requirements of Article 705 of the National Electrical Code for
20 electrical components and installations; and

21 (g) Is rated and listed by Underwriters Laboratories.

22 ➔Section 21. KRS 141.437 is amended to read as follows:

23 (1) As used in this section:

24 (a) "ENERGY STAR home" means any single-family residence that qualifies for
25 and receives the ENERGY STAR label under the ENERGY STAR Program
26 administered by the United States Environmental Protection Agency; and

27 (b) "ENERGY STAR manufactured home" means a manufactured home~~—as~~

1 ~~defined in KRS 100.348~~ that meets the ENERGY STAR label under the
2 ENERGY STAR Program administered by the United States Environmental
3 Protection Agency.

4 (2) For taxable years beginning after December 31, 2008, and before January 1, 2016,
5 there is hereby created a nonrefundable credit against the tax imposed by KRS
6 141.040, and KRS 141.0401, with the ordering of credits as provided in KRS
7 141.0205 if a taxpayer:

8 (a) Builds a new ENERGY STAR home located in the Commonwealth for use as
9 a principal place of residence; or

10 (b) Sells a new ENERGY STAR manufactured home to a buyer who uses that
11 home as a principal place of residence in the Commonwealth.

12 (3) The tax credit shall equal:

13 (a) Eight hundred dollars (\$800) if the taxpayer builds an ENERGY STAR home;
14 or

15 (b) Four hundred dollars (\$400) if the taxpayer sells an ENERGY STAR
16 manufactured home.

17 (4) The tax credit provided under this section shall apply in the tax year in which the
18 taxpayer completes construction of the ENERGY STAR home or sells the
19 ENERGY STAR manufactured home.

20 (5) The tax credit provided in this section shall not apply if:

21 (a) The tax credit has been previously taken by another taxpayer on the same
22 ENERGY STAR home or ENERGY STAR manufactured home; or

23 (b) The taxpayer has taken the energy efficiency tax credits provided in KRS
24 141.436.

25 (6) The department may request verification of the ENERGY STAR label placed on the
26 home, documentation that the buyer is using the home as a principal place of
27 residence, and any other information that the department determines is necessary to

1 verify the tax credits taken.

2 (7) On or before December 1, 2010, and on or before every December 1 thereafter, the
3 department shall report to the Legislative Research Commission the total number
4 and gross amount of each type of credit claimed on returns processed during the
5 fiscal year ending prior to the December reporting period.

6 ➔Section 22. The following KRS section is repealed:

7 100.348 Compatibility standards for manufactured homes -- Definitions -- Adoption of
8 standards by local governments.