

1 AN ACT relating to real estate.

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

3 ➔Section 1. KRS 324.360 is amended to read as follows:

- 4 (1) This section shall apply to sales and purchases involving ~~all~~^{all}~~[single-family~~
5 ~~residential]~~ real estate transactions~~[dwellings]~~ if any person licensed under this
6 chapter receives compensation.
- 7 (2) The commission shall promulgate an administrative regulation authorizing a
8 "seller's disclosure of conditions form for residential single family, residential
9 multi-family, vacant land, and commercial properties."
- 10 (3) The form shall provide for disclosure by the seller of the following:
- 11 (a) Basement condition and whether it leaks;
- 12 (b) Roof condition and whether it leaks;
- 13 (c) Source and condition of water supply;
- 14 (d) Source and condition of sewage service;
- 15 (e) Working condition of component systems; and
- 16 (f) Other matters the commission deems appropriate.
- 17 (4) The seller of the property shall complete and sign the form at the time he or she
18 executes any listing agreement or similar agreement by which a licensee intends to
19 market the property. A copy of the form shall be provided by the listing agent to any
20 prospective buyer or a buyer's authorized representative upon request. A copy of the
21 form shall be delivered by the listing agent to any prospective purchaser or his
22 representative within seventy-two (72) hours of the listing agent's receipt of a
23 written and signed offer to purchase. The listing agent shall solicit the signature of
24 the buyer on a copy of the form which the listing agent shall retain in the principal
25 broker's records. The signature shall evidence the listing agent's compliance with
26 the provisions of this section. Should the buyer refuse to sign the form, the licensee
27 shall record the buyer's refusal to sign on the form and retain a copy in his principal

- 1 broker's records.
- 2 (5) If the subject property is offered for sale by the property's owner without a listing
3 agreement, any licensee involved in the transaction shall provide a blank form to the
4 property's owner and shall request that the property's owner complete and sign the
5 form. If the property's owner completes and signs the form, the licensee shall
6 deliver the form to the buyer or potential buyer not later than one hundred twenty
7 (120) hours after the creation of any executory contract for sale of the property. The
8 licensee shall solicit the signature of the buyer on a copy of the form as delivered to
9 the buyer or prospective buyer and shall retain the copy in his or her principal
10 broker's records. The signature of the buyer or prospective buyer shall evidence the
11 listing agent's compliance with the provisions of this section. Should the buyer
12 refuse to sign the form, the licensee shall record the buyer's refusal to sign on the
13 form and retain a copy in his or her principal broker's records.
- 14 (6) The original of the form shall be retained by the listing broker or by the broker of
15 any licensee who presents an offer on a property not subject to a listing agreement.
- 16 (7) The form shall not be required~~[for residential purchases of new homes if a warranty~~
17 ~~is offered.]~~ for a sale of real estate at an auction, or for a court supervised
18 foreclosure.
- 19 (8) If the seller refuses to complete and sign the form, his refusal shall be
20 communicated in writing by the broker or sales associate who is involved in the
21 transaction to the purchaser or prospective purchaser, without unreasonable delay.
- 22 (9) It shall be a violation of this chapter for a licensee to complete any portion of the
23 form unless the licensee is the owner of the property or has been requested by the
24 owner to complete the form. The request shall be acknowledged in writing on the
25 form and the licensee shall be held harmless for any representation that appears on
26 the form.