

1 AN ACT relating to residential planned communities.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 381 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "City" means any city, consolidated local government, urban-county*
7 *government, or unified local government; and*

8 *(b) "Planned community" means a group of residential dwellings, excluding*
9 *condominiums, composed of individual lots for which a deed, common plan,*
10 *or other legal document requires that:*

11 *1. All owners within the group become members of a homeowners'*
12 *association;*

13 *2. Owners, or the homeowners' association, hold or lease property or*
14 *facilities for the benefit of all owners within the group; or*

15 *3. Owners support by membership fees property or facilities for all*
16 *owners within the group to use.*

17 *(2) If a planned community, whether active or inactive, fails to maintain any*
18 *infrastructure, common area, storm water detention or retention area, or other*
19 *facility that it is legally obligated to maintain, any city in which the planned*
20 *community is located may petition the Circuit Court of the jurisdiction in which*
21 *the city lies for the appointment of a receiver to manage the affairs of the*
22 *homeowners' association. The city shall serve notice of the filing of the petition*
23 *on the governing authority of the planned community and each owner within the*
24 *planned community. If the petition by a city for the appointment of a receiver is*
25 *successful, the city seeking the appointment of a receiver shall be entitled to*
26 *reimbursement of all costs, fees, and reasonable attorney's fees, as approved by*
27 *the court.*

- 1 (3) The receiver appointed pursuant to subsection (2) of this section shall have all the
2 authority granted to the governing authority of the planned community by its
3 governing documents, including the ability to impose and collect fees as
4 authorized by, and in conformance with, its governing documents, and to
5 contract for the ongoing renovation, maintenance, and upkeep of the legally
6 obligated infrastructure, common areas, storm water detention or retention areas,
7 or other facilities. The receiver shall be entitled to recover reasonable costs and
8 fees for services as approved by the court.
- 9 (4) If any city is required to expend funds to repair, renovate, maintain, or correct
10 code violations of the infrastructure, common areas, storm water detention or
11 retention areas, or other facilities for which the homeowners' association is
12 legally responsible, the city may seek reimbursement for those costs from the
13 receiver.