

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, and other*  
19 *facilities 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 shall have all the authority granted to the governing authority of the**  
2 **planned community by its governing documents, including the ability to impose**  
3 **and collect fees as authorized by, and in conformance with its governing**  
4 **documents, and to contract for the ongoing renovation, maintenance, and upkeep**  
5 **of the legally obligated infrastructure, common areas, storm water detention or**  
6 **retention areas, and other facilities. The receiver shall be entitled to recover**  
7 **reasonable costs and fees for services as approved by the court.**

8 **(4) If any city is required to expend funds to repair, renovate, maintain, or correct**  
9 **code violations of the infrastructure, common areas, storm water detention or**  
10 **retention areas, or other facilities for which the homeowners' association is**  
11 **legally responsible, the city may seek reimbursement for those costs from the**  
12 **receiver.**

13 ➔Section 2. KRS 381.786 is amended to read as follows:

14 (1) Notwithstanding subsection (3) of this section, all planned communities in this  
15 Commonwealth are subject to the provisions of KRS 381.785 to 381.801. Unless  
16 specifically stated, nothing in KRS 381.785 to 381.801 shall invalidate any  
17 provision of a document that governs a planned community if that provision was in  
18 the document at the time the document was recorded and the document was adopted  
19 or recorded prior to June 29, 2023.

20 (2) After June 29, 2023, no person shall establish a planned community unless the  
21 person files and records a declaration for that planned community in the office of  
22 the county clerk of the county or counties in which the planned community is  
23 located.

24 (3) The provisions of KRS 381.785 to 381.801 shall not apply to current developments  
25 or neighborhoods that do not have a homeowners' association that meet the  
26 definition of a planned community in KRS 381.785. **The provisions of KRS**  
27 **381.785 to 381.801 shall not apply to current developments or neighborhoods that**

1        *have a property owners' association.* Subsection (2) of this section shall only apply  
2        to homeowners' associations or planned communities formed after June 29, 2023.