

134.490 Actions by owner of certificate of delinquency to collect or foreclose certificate -- Notice by third-party purchaser to taxpayer.

- (1) Within fifty (50) days after the delivery of a certificate of delinquency by the clerk to a third-party purchaser, the third-party purchaser shall send to the delinquent taxpayer by first-class mail with proof of mailing, a notice informing the delinquent taxpayer that the certificate of delinquency has been purchased by the third-party purchaser. The notice shall include the information required by subsection (3) of this section.
- (2) Anytime after the expiration of the one (1) year tolling period established by KRS 134.546, the third-party purchaser may institute an action to collect the amount due on a certificate of delinquency. At least forty-five (45) days before instituting a legal action, the third-party purchaser shall send to the taxpayer by first-class mail with proof of mailing, a notice informing the taxpayer that enforcement action will be taken. This notice shall also include the information required by subsection (3) of this section.
- (3)
 - (a)
 1. For certificates of delinquency for all property except property described in paragraph (b) of this subsection, third-party purchasers or their designees shall obtain from the office of the property valuation administrator of the county in which the real property is located the most recent address for the property owner.
 2. To obtain information from the office of the property valuation administrator, the third-party purchaser shall submit a list of addresses, map identification numbers, or parcel numbers for which updated information is requested to the property valuation administrator, who shall:
 - a. Update his or her records with regard to the properties for which information is requested; and
 - b. Provide the updated information to the third-party purchaser within ten (10) days.
 3. For this service, the property valuation administrator may charge a fee not to exceed two dollars (\$2) for each address provided.
 4. Except as provided in subparagraph 5. of this paragraph, the third-party purchaser shall send the notices required by subsections (1) and (2) of this section to the address provided by the property valuation administrator.
 5. If, due to insufficient staffing, the property valuation administrator is unable to provide the requested information to the third-party purchaser within ten (10) days of submission, the property valuation administrator shall immediately notify the third-party purchaser, and the third-party purchaser may send the notices required by subsections (1) and (2) of this section to the address reflected in the public records of the property valuation administrator.

- (b)
 - 1. For certificates of delinquency relating to unmined coal, oil, or gas reserves or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820, third-party purchasers or their designees shall obtain from the department the most recent address for the property owner.
 - 2. To obtain information about a particular property, the third-party purchaser shall submit to the department a list of addresses, map identification numbers, parcel numbers, and any other information the department may require. The department shall:
 - a. Update its records with regard to the properties for which information is requested; and
 - b. Provide the updated information to the third-party purchaser within ten (10) business days.
 - 3. For this service, the department may charge a fee not to exceed two dollars (\$2) for each address provided.
 - 4. The third-party purchaser shall send the notices required by subsections (1) and (2) of this section to the address provided by the department.
- (c)
 - 1. The third-party purchaser shall submit to the department a copy of any notice sent pursuant to subsections (1) and (2) of this section and returned as undeliverable within ten (10) days of receipt of the returned notice.
 - 2. The department shall attempt to obtain an updated address for the owner of the property subject to the certificate of delinquency from the individual or entity filing the property tax return for the property.
 - 3. The individual or entity filing the property tax return shall provide an address of the property owner upon request of the department.
 - 4. The department shall provide any updated address information to the third-party purchaser.
 - 5. If updated information is provided, the notices sent pursuant to subsections (1) and (2) of this section shall be re-sent by first-class mail with proof of mailing to the updated address of the owner within ten (10) days of the receipt of an updated address from the department.
- (d) The third-party purchaser shall maintain complete and accurate records of all notices sent pursuant to this section.
- (e) The notices required by this section shall include the following information:
 - 1. A statement that the certificate of delinquency is a lien of record against the property for which delinquent taxes are owed;
 - 2. A statement that the certificate bears interest at the rate provided in KRS 134.125;
 - 3. A statement that if the certificate is not paid, it will be subject to collection as provided by law, and that collection actions may include foreclosure. The notice required by subsection (2) of this section shall

also include a statement of the intent to institute legal action to collect the amount due;

4. A complete listing of the amount due, as of the date of the notice, broken down as follows:
 - a. The purchase price of the certificate of delinquency;
 - b. Interest accrued subsequent to the purchase of the certificate of delinquency; and
 - c. Fees imposed by the third-party purchaser; and
 5. Information, in a format and with content as determined by the department, detailing the provisions of the law relating to third-party purchaser fees and charges.
- (f) In addition, the notice shall provide the following information to the taxpayer:
1. The legal name of the third-party purchaser;
 2. The third-party purchaser's physical address;
 3. The third-party purchaser's mailing address for payments, if different from the physical address; and
 4. The third-party purchaser's telephone number.

If the information required by this paragraph changes, the third-party purchaser shall, within thirty (30) days of the change becoming effective, send a notice to each taxpayer by first-class mail with proof of mailing with the corrected information. The third-party purchaser shall also update contact information included in the records of the county clerk within ten (10) days of the change becoming effective. Failure to send the original notice or any correction notices shall result in the suspension of the accrual of all interest and any fees incurred by the third-party purchaser after that date until proper notice is given as required by this subsection.

- (4) If a person entitled to pay a certificate of delinquency to a third-party purchaser makes payment on the certificate of delinquency to the county clerk under the conditions described in KRS 134.127(3)(d), the payment shall constitute payment in full, and no other amounts may be collected by the third-party purchaser from the person.
- (5) A third-party purchaser may offer an installment payment plan to a taxpayer. If an installment payment plan is offered, the third-party purchaser shall not charge, assess, or collect from the taxpayer any fees, charges, interest, or other amounts that exceed the fees, interest, or other amounts expressly authorized by this chapter to be charged, assessed, or collected. The department may establish additional terms and conditions for installment payment plans in an administrative regulation.
- (6) Any person to whom a third-party purchaser transfers or assigns a certificate of delinquency shall be considered a third-party purchaser under this chapter.

Effective: April 7, 2010

History: Amended 2010 Ky. Acts ch. 75, sec. 8, effective April 7, 2010. -- Amended 2009 Ky. Acts ch. 10, sec. 15, effective January 1, 2010. -- Amended 2007 Ky. Acts

ch. 14, sec. 5, effective June 26, 2007. -- Amended 1998 Ky. Acts ch. 209, sec. 15, effective March 30, 1998. -- Amended 1994 Ky. Acts ch. 65, sec. 5, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 27, sec. 11, effective July 13, 1990. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4149b-7.