

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

815 KAR 25:090

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes minimum requirements for the installation and inspection of manufactured homes or mobile homes on permanent foundations.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to implement KRS 227.570.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 227.570 requires the Department of Housing, Buildings and Construction to establish and enforce standards and requirements for installation of plumbing, heating, and electrical systems in manufactured homes or mobile homes as it determines are reasonably necessary to protect public health and safety. KRS 227.570(4) requires the installation of new manufactured homes to be inspected in accordance with KRS 227.570(3). KRS 227.570(4) requires the department to establish a new manufactured home installation inspection fee not to exceed \$150. KRS 227.590(1) requires the department to establish administrative regulations reasonably necessary to effectuate the provisions of KRS 227.550 to 227.660. This administrative regulation directly conforms to these provisions by establishing the requirements for installation and inspection of manufactured homes or mobile homes on permanent foundations.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation directly implements the authorizing statutes and establishes the requirements and standards for the installation and inspection of manufactured homes and mobile homes.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment decreases the proposed site and footer/installation inspection fee from \$150 to \$125 in response to discussion and comments received.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to increase a fee, albeit at a slightly lower amount than originally proposed.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment directly conforms to the authorizing statutes by establishing the requirements for installation and inspection of manufactured homes and mobile home.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will ensure that the department has sufficient, qualified staffing and equipment to properly inspect manufactured homes.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? No.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Retailers and certified installers of manufactured homes as well as purchasers of manufactured homes will be impacted by this amendment.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

- (a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: Retailers of manufactured homes will have to pay adjusted fees for the inspections of new home installations and will have to complete an installation application prior to beginning the installation.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): The increased costs are \$15 per review/inspection and \$50 per reinspection.
- (c) As a result of compliance, what benefits will accrue to the entities identified in question (4): Clarification is provided regarding inspection practices. Funds generated from increased fees will ensure the timely completion of thorough inspections.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

- (a) Initially: There are no anticipated initial costs to administer this regulatory amendment.
- (b) On a continuing basis: There are no anticipated continuing costs to administer this regulatory amendment.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Implementation of these amendments is anticipated to result in no additional costs to the agency. Any agency costs resulting from these administrative amendments will be met with existing agency funds.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: Yes, because this regulatory amendment includes a fee increase.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: Yes. This amendment seeks to increase a fee for department inspections of used manufactured homes.

(10) TIERING: Is tiering applied? Tiering is not applied as all used manufactured home consumers will be subject to the amended requirements.

FISCAL IMPACT STATEMENT

815 KAR 25:090

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(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. This regulation is authorized and required by KRS 227.570.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: This regulation is required by KRS 227.570 and 227.590(1).

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: Public Protection Cabinet, Department of Housing, Buildings and Construction, Division of Building Code Enforcement, Manufactured Housing Branch.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1.Expenditures:

For the first year: None.

For subsequent years: None.

2.Revenues:

For the first year: It is anticipated that the department will increase revenues by approximately \$119,370 in the first year. The installation inspection fee will account for approximately \$60,570 of those proceeds. The reinspection fee will account for the remaining \$58,800 based on historical data. However, the reinspection fee is intended to have a deterrent effect.

For subsequent years: It is anticipated that revenues will increase slightly in every subsequent year as the number of manufactured homes sold in Kentucky generally increases yearly.

3.Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no anticipated local entities that will be affected by this regulatory amendment.

(b) Estimate the following for each affected local entity identified in (4)(a):

1.Expenditures:

For the first year: None.

For subsequent years: None.

2.Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(5)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): Retailers of manufactured homes.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: \$15 per review/inspection and \$50 per reinspection.

For subsequent years:

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: It is anticipated that the department will increase revenues by \$119,370 in the first year. The installation and footer inspection fee will account for approximately \$60,570 of those proceeds. The reinspection fee will account for the remaining \$58,800. The installation and footer numbers are based on the number of department inspections during 2025 multiplied by the total fee increase. The re-inspection fee numbers are similarly based on the number of department reinspections during 2025 multiplied by the total fee increase. It is anticipated that local entities will not be impacted by this regulatory amendment, because they are not manufactured home consumers or retailers.

(b) Methodology and resources used to reach this conclusion: Please see the response to (6)(a).

(6) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): This regulation will not have a major economic impact as defined by KRS 13A.010(14).

(b) The methodology and resources used to reach this conclusion: Fees for new manufactured home installation inspections/plan reviews are increased by \$15, and reinspection fees are increased by \$50.

SUMMARY OF CHANGES TO MATERIAL INCORPORATED BY REFERENCE

Form HBC MH-9 Manufactured Home Foundation Installation Application is a one-page form that a retailer must submit upon the execution of a contract of sale of a new manufactured home. The form includes the following information:

1. Name, address, and telephone number of the purchaser;
2. Address of the manufactured home, if different from the purchaser's address;
3. Date of purchase;
4. United States Department of Housing and Urban Development certification label (HUD tag) number;
5. Serial number of the new manufactured home;
6. Date of installation; and
7. Name and certification number of the certified installer.

STATEMENT OF CONSIDERATION

Relating to 815 KAR 25:090

Public Protection Cabinet, Department of Housing, Buildings and Construction, Division of
Building Code Enforcement, Manufactured Housing Branch
(Amended After Comments)

I. The public hearing on 815 25:090 scheduled for June 23, 2026 at 9 a.m. at 500 Mero Street, Frankfort, KY 40601 was canceled; however, written comments were received during the public comment period.

II. The following people submitted written comments:

<u>Name and Title</u>	<u>Agency/Organization/Entity/Other</u>
Logan Hanes	KMHI

III. The following people from the promulgating administrative body responded to the written comments:

<u>Name and Title</u>
Jonathon M. Fuller, Commissioner

IV. Summary of Comments and Response

(1) Subject Matter: Inspection Fee Increases

(a) Comment: Logan Hanes – KMHI understands the need to adjust fees and does not oppose the concept of an increase, but does request a “phased increase” for installation inspection and reinspection fees.

(b) After discussion, the agency will reduce the installation/site and footer inspection fee from the proposed \$150 to \$125. However, the reinspection fee will remain at \$150 in an effort to encourage installers and retailers to ensure that the site and footers are completed properly and that a home is installed properly prior to requesting the final installation inspection.

V. Summary of Statement of Consideration and Action Taken by Promulgating Administrative Body

The public hearing on 815 KAR 25:090 was canceled; however, written comments were received. The Manufactured Housing Branch responded to the comments and will amend the administrative regulation accordingly.