

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

815 KAR 25:020

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the requirements for persons and companies engaged in the sale of recreational vehicles and the standards for certification of manufacturers of recreational vehicles.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to implement the licensing requirements for recreational vehicle retailers, the manufacturing standards and the process for a manufacturer to obtain a certificate of acceptability, and the inspection process to ensure the safety of owners of recreational vehicles and the public at large.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 227.590(1) requires the Department of Housing, Buildings and Construction to promulgate administrative regulations reasonably required to effectuate the provisions of KRS 227.550 to 227.660. KRS 227.570(1)(a) requires the department to promulgate administrative regulations establishing a process for licensing retailers and issuing certificates of acceptability to qualifying manufacturers. KRS 227.620(2) requires the department to establish application and fee requirements for a retailer's license. KRS 227.620(4)(a) requires the department to establish fees for a retailer's license, a manufacturer's certificate of acceptability, and Class B, Class B1, and Class B2 seals.

(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 for recreational vehicles.

(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 administrative regulation makes grammatical and technical edits, clarifies requirements for licensure, and increases the fee for inspection of recreational vehicles when performed by the department. The initial fee was \$35 and the amended fee is \$125.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to make grammatical and technical edits, clarify requirements for licensure, and adjust fees. Personnel costs and operational costs, including the price of equipment, fuel, insurance, and vehicles has increased in recent years, all adding to the cost of department inspectors' job-related activities. Expenditure exceeded revenues by \$208,282 in FY24; \$124,853 in FY25; and \$148,000 in FY26. Recreational vehicle inspection fees have been increased in order to maintain sufficient staffing and equipment to perform the agency's statutory duties.

(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 the inspection process for recreational vehicles.

(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 recreational vehicles.

(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: Recreational vehicle consumers and retailers will be affected by this administrative regulation.

(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: Regulated entities will pay the increased inspection fees.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): Each entity receiving a recreational vehicle inspection from the Department of Housing, Buildings and Construction will pay \$90 more for an inspection.
- (c) As a result of compliance, what benefits will accrue to the entities identified in question (4): 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 is no cost to the agency.
- (b) On a continuing basis: There are no additional continuing costs to the agency.

(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: An increase in fees or funding is not necessary to implement this amendment.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This amendment does not establish or increase any fees either directly or indirectly.

(10) TIERING: Is tiering applied? Tiering is not applied, as all retailers of recreational vehicles and manufacturers of recreational vehicles will be subject to the amended requirements.

FISCAL IMPACT STATEMENT

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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 by KRS 227.590.

(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, 227.590, and 227.620.

(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 identifies 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 \$250,740.00 in the first year.

For subsequent years: It is anticipated that revenues will increase slightly in every subsequent year as the number of recreational vehicles sold in Kentucky generally increase 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 any affected regulated entities not listed in (3)(a) or (4)(a): Recreational vehicle consumers, manufacturers, and retailers.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: \$90 per inspection for those receiving inspections.

For subsequent years: None.

2. Revenues:

For the first year: \$90 per inspection for certified retailers performing inspections.

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 \$250,740 based on the number of department inspections during 2025 multiplied by the total fee increase (\$90). This impact is spread out across each individual receiving an inspection.

(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: RV Inspections fees are increasing by \$90 per inspection.