

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

815 KAR 25:050

Contact Person: Jonathon M. Fuller

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes standards for the design, manufacture, installation, and sale of new and used manufactured homes, and specifies when a B seal is to be applied to a manufactured home.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to implement the standards for the design, manufacture, and sale of new and used manufactured homes.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 227.590 requires the department to promulgate administrative regulations to implement the provisions under KRS 227.550 to 227.660. KRS 227.600 establishes the specifications for a manufactured home or mobile home to receive a B seal. This administrative regulation establishes the standards for the design, manufacture, and sale of new and used manufactured homes.

(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 when a seal is to be applied to a manufactured or mobile home.

(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 and increases the fee for department inspection of a used manufactured home. The initial fee was \$75 and the amended fee is \$125.

(b) The necessity of the amendment to this administrative regulation: Personnel costs and operational costs, including the price of fuel, insurance, and vehicles have increased in recent years, all adding to the cost of performing department inspectors' job duties. Expenditure exceeded revenues by \$208,282 in FY24; \$124,853 in FY25; and \$148,000 in FY26. Used manufactured home 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 used manufactured homes.

(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 new and used 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: This administrative regulation will affect Kentucky's used manufactured home purchasers.

(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: Used manufactured home purchasers 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): This administrative regulation increases the fee for department inspection of a used manufactured home. The initial fee was \$75 and the amended fee is \$125. Therefore, the increased cost is \$50 per 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 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

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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 227.590 and 227.600.

(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 227.590 and 227.600.

(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 \$39,750.00 in the first year.

For subsequent years: It is anticipated that revenues will increase slightly in subsequent years as the number of used 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 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: \$50 per inspection (for recipients of inspections).

For subsequent years: None.

2. Revenues:

For the first year: \$50 per inspection (for certified retailers performing inspection).

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 \$39,750 based on the number of department inspections during 2025 multiplied by the total fee increase. 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 (5)(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: Inspection fees for used manufactured homes are increasing by \$50 per inspection.