

### **136.636 Security for compliance.**

- (1) Whenever it is deemed necessary to ensure compliance with KRS 136.600 to 136.660, the department may require any person required to collect the taxes imposed by KRS 136.604 or 136.616 to place security with the department. The amount of the security shall be fixed by the department, but shall not be greater than three (3) times the estimated average monthly liability of the provider. This limitation shall apply regardless of the type of security placed with the department.
- (2) The amount of the security may be increased or decreased by the department subject to the limitations provided in subsection (1) of this section.
- (3) If necessary, the department may sell the security at public auction to recover any tax, interest, or penalty due. However, security in the form of a bearer bond issued by the United States or any state or local governmental unit that has a prevailing market price may be sold by the department at a private sale at a price not lower than the prevailing market price.
- (4) The department shall provide notice of the date, time, and place of the sale to the person who placed the security with the department. Notice shall be sent by certified mail to the person's last known address, as reflected in the records of the department, or delivered to the person.
- (5) As used in this section, "delivery" or "delivered to" means mailing the notice to the person to whom it is addressed, leaving it at his or her place of business with the person in charge of the place of business, or, if there is no one in charge, leaving it in a conspicuous place at the place of business. If the place of business is closed or the person to be served has no place of business, delivery includes:
  - (a) Leaving it at the person's home with some person of suitable age and discretion residing in the home;
  - (b) Serving it upon the person's agent for service process; or
  - (c) Any other method permitted by the Kentucky Revised Statutes.
- (6) Notice by certified mail shall be postmarked no later than ten (10) days prior to the sale.
- (7) Any surplus above the amounts due to the department after the sale shall be returned to the person who placed the security.

**Effective:** January 1, 2006

**History:** Created 2005 Ky. Acts ch. 168, sec. 106, effective January 1, 2006.

**Legislative Research Commission Note (1/01/2006).** 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.