

**139.660 Security for compliance with chapter.**

- (1) Whenever it is deemed necessary to insure compliance with this chapter, the department may require any person subject thereto to place with it such security as the department may determine. The amount of the security shall be fixed by the department but, except as provided in subsection (2), shall not be greater than twice the estimated average liability of persons filing returns for quarterly periods or three (3) times the estimated average liability of persons required to file returns for monthly periods, determined in such manner as the department deems proper.
- (2) In case of persons habitually delinquent in their obligations under this chapter, the amount of the security shall not be greater than three (3) times the average liability of persons filing returns for quarterly periods or five (5) times the average liability of persons required to file returns for monthly periods.
- (3) The limitations herein provided apply regardless of the type of security placed with the department.
- (4) The amount of the security may be increased or decreased by the department subject to the limitations herein provided.
- (5)
  - (a) The department may sell the security at public auction if it becomes necessary to do so in order to recover any tax, interest or penalty due. Security in the form of a bearer bond issued by the United States or any state or local governmental unit which has a prevailing market price may, however, be sold by the department at a private sale at a price not lower than the prevailing market price thereof.
  - (b) The department shall give notice of the date, time and place of the sale to the person who placed the security by certified mail addressed to him at his last known address as it appears in the records of the department, or delivery to such person.
  - (c) Delivery means handing it to such person or leaving it at his place of business with the person in charge thereof; or, if there is no one in charge, leaving it in a conspicuous place therein; or, if the place of business is closed or the person to be served has no place of business, leaving it at his dwelling house with some person of suitable age and discretion residing therein. Said notice, if by certified mail, shall be postmarked no later than ten (10) days prior to said sale; if by delivery, said notice shall be given no later than ten (10) days prior to said sale.
- (6) Upon any sale any surplus above the amounts due shall be returned to the person who placed the security.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 85, sec. 437, effective June 20, 2005. -- Amended 1976 Ky. Acts ch. 155, sec. 20. -- Amended 1972 Ky. Acts ch. 84, Pt. I, sec. 3. -- Created 1960 Ky. Acts ch. 5, Art. I, sec. 63, effective February 5, 1960.