

COURT OF APPEALS OF KENTUCKY

Professional Learning Institute, LLC v. Commonwealth of Kentucky,
Kentucky Real Estate Authority

Professional Learning Institute · No. 2024-CA-0938-MR · Decided December 5, 2025

SUMMARY

The Kentucky Court of Appeals reviewed disciplinary action taken by the Kentucky Board of Home Inspectors and the Kentucky Real Estate Authority against Professional Learning Institute, a provider of home-inspector education. The court held that the Board exceeded its statutory authority by investigating and disciplining the non-licensee education provider, while recognizing narrower authority to regulate approval of courses and providers. The court vacated the circuit court’s opinion and order, set aside the Hearing Officer’s final order, and dismissed the disciplinary action.

CASE DETAILS

COURT	Court of Appeals of Kentucky
WRITING FOR THE COURT	Moynahan, Judge; Thompson, Chief Judge; Acree, Judge
JURISDICTION	Kentucky Court of Appeals
DECIDED	December 5, 2025
DOCKET	2024-CA-0938-MR
DISPOSITION	vacated
PROCEDURAL POSTURE	Professional Learning Institute appealed the Jefferson Circuit Court's dismissal of its Kentucky Revised Statutes Chapter 13B petition challenging administrative discipline imposed by the Kentucky Board of Home Inspectors and the Kentucky Real Estate Authority.
STANDARD OF REVIEW	Whether a public agency exceeded its statutory authority is reviewed de novo. Judicial review of an administrative decision otherwise examines whether the agency acted arbitrarily, including by exceeding its statutory powers, denying procedural due process, or reaching a decision unsupported by substantial evidence.
PRECEDENTIAL VALUE	published
PARTIES	Professional Learning Institute, LLC v. Commonwealth of Kentucky, Kentucky Real Estate Authority, Kentucky Board of Home Inspectors

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QUESTIONS PRESENTED

1. Whether KBHI's enabling statutes authorized it to investigate, initiate complaints against, and discipline a non-licensee education provider.
2. Whether 831 KAR 2:040 Sec. (10)(2) validly authorized KBHI to deny, suspend, probate, or revoke an education provider's registration.
3. Whether KBHI's regulatory provisions allowing investigation and disciplinary action against non-licensee education providers were valid under the governing statutes.
4. Whether the Jefferson Circuit Court erred by dismissing PLI's Chapter 13B appeal and adopting the agency's interpretation of its statutory authority.

HOLDINGS

1. KRS 198B.706(4) and (12), KRS 198B.728, and KRS 198B.730 authorize KBHI to investigate complaints and impose disciplinary actions against licensees, not non-licensee education providers such as PLI.
2. 831 KAR 2:040 Sec. (10)(2) is valid insofar as it permits KBHI to deny, suspend, or revoke an education provider's registration, but the term 'probate' is unauthorized and is stricken.
3. 831 KAR 2:040 Sec. (10)(1) and (3), and related provisions purporting to authorize KBHI to investigate, initiate complaints against, and discipline non-licensee providers, are null and void to that extent.
4. 831 KAR 2:040 Sec. (9)(1), prohibiting a provider from advertising a course as approved before approval is granted, is within KBHI's statutory authority.

KEY QUOTATIONS

“We affirmatively rule that the home inspector enabling statutes – KRS 198B.706(4) and (12), KRS 198B.728, and KRS 198B.730 – only authorize investigations, complaints, and disciplinary actions against licensees.”
(24)

“Therefore, all provisions of the regulatory chapter (831 KAR Section (2)), including 831 KAR 2:040 Sec. (10)(1) and (3), purporting to allow KBHI to exercise authority to investigate, initiate complaints against, and discipline non-licensees are held null and void under KRS 13A.120(2)(d), (g), and (h), KRS 13A.120(4), and under the test for valid regulations from Laurel Mountain.” (22-23)

FACTUAL BACKGROUND

PLI operates a proprietary school offering prelicensing and continuing-education courses for home inspectors and was licensed by the Kentucky Commission on Proprietary Education. Its KBHI provider and course approvals expired on September 18, 2020, and KBHI found its pending renewal applications incomplete, although approvals were later granted in January 2021. PLI nevertheless conducted two prelicensing courses and eight continuing-education courses between October 2020 and January 2021. KBHI initiated disciplinary proceedings, resulting in findings that PLI violated regulations concerning advertising, application materials, record production, and obtaining approval before offering courses.

PROCEDURAL HISTORY

PLI's approval as a provider and for particular prelicensing and continuing-education courses expired, after which it conducted courses while its renewal and course applications remained incomplete or pending. KBHI initiated disciplinary proceedings, and a hearing officer found four regulatory violations and recommended a thirty-day suspension followed by four years of probation. KBHI adopted the recommendation, and KREA issued a final order adopting it. The Jefferson Circuit Court dismissed PLI's appeal, concluding that the agency had authority to regulate education providers and that the agency decision was supported by the record. The Court of Appeals vacated the circuit court's order, set aside the hearing officer's final order, and dismissed the disciplinary action.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The Jefferson Circuit Court's dismissal order was vacated, the Hearing Officer's Final Order was set aside, and the disciplinary action taken by KBHI and KREA against PLI was dismissed.

CASES CITED

- Harrison Silvergrove Prop., LLC v. Campbell Cnty. & Mun. Bd. of Adjustment, 492 S.W.3d 908, 912 (Ky. App. 2016)
- Baesler v. Lexington-Fayette Urban Cnty. Government, 237 S.W.3d 209, 212 (Ky. App. 2007)
- American Beauty Corp. v. Louisville and Jefferson County Planning and Zoning Comm'n, 379 S.W.2d 450, 456 (Ky. 1964)
- Laurel Mountain Resources, LLC v. Commonwealth, Energy and Environment Cabinet, 360 S.W.3d 791, 799-800 (Ky. App. 2012)
- Henry v. Parrish, 211 S.W.2d 418, 421-422 (Ky. 1948)
- Flying J Travel Plaza v. Commonwealth, Transportation Cabinet, Department of Highways, 928 S.W.2d 344, 347 (Ky. 1996)
- United Sign, Ltd. v. Commonwealth, 44 S.W.3d 794, 798 (Ky. App. 2000)
- Lewis v. Jackson Energy Co-op. Corp., 189 S.W.3d 87, 91-92 (Ky. 2005)
- Johnson v. Correll, 332 S.W.2d 843, 845 (Ky. 1960)

- *Hutchins v. General Electric Co.*, 190 S.W.3d 333 (Ky. 2006)

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