2026 APA-KY LEGISLATIVE WRAP-UP

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The Legislative Committee would like to thank the Kentucky League of Cities for their invaluable partnership with this committee and the APA-KY organization. Their expertise and effort to assist our committee, and communities across the Commonwealth are greatly appreciated.

LEGISLATIVE PROCESS

The General Assembly meets annually in Frankfort. The legislative session in Kentucky starts on the first Tuesday after the first Monday in January. In even numbered years, the legislative session may not last more than 60 legislative days and must end by April 15. In odd number years, the legislative session may not last more than 30 legislative days. A "legislative day" is defined as a calendar day, excluding Sundays, legal holidays, and any day on which neither house meets.

HOW A BILL BECOMES A LAW

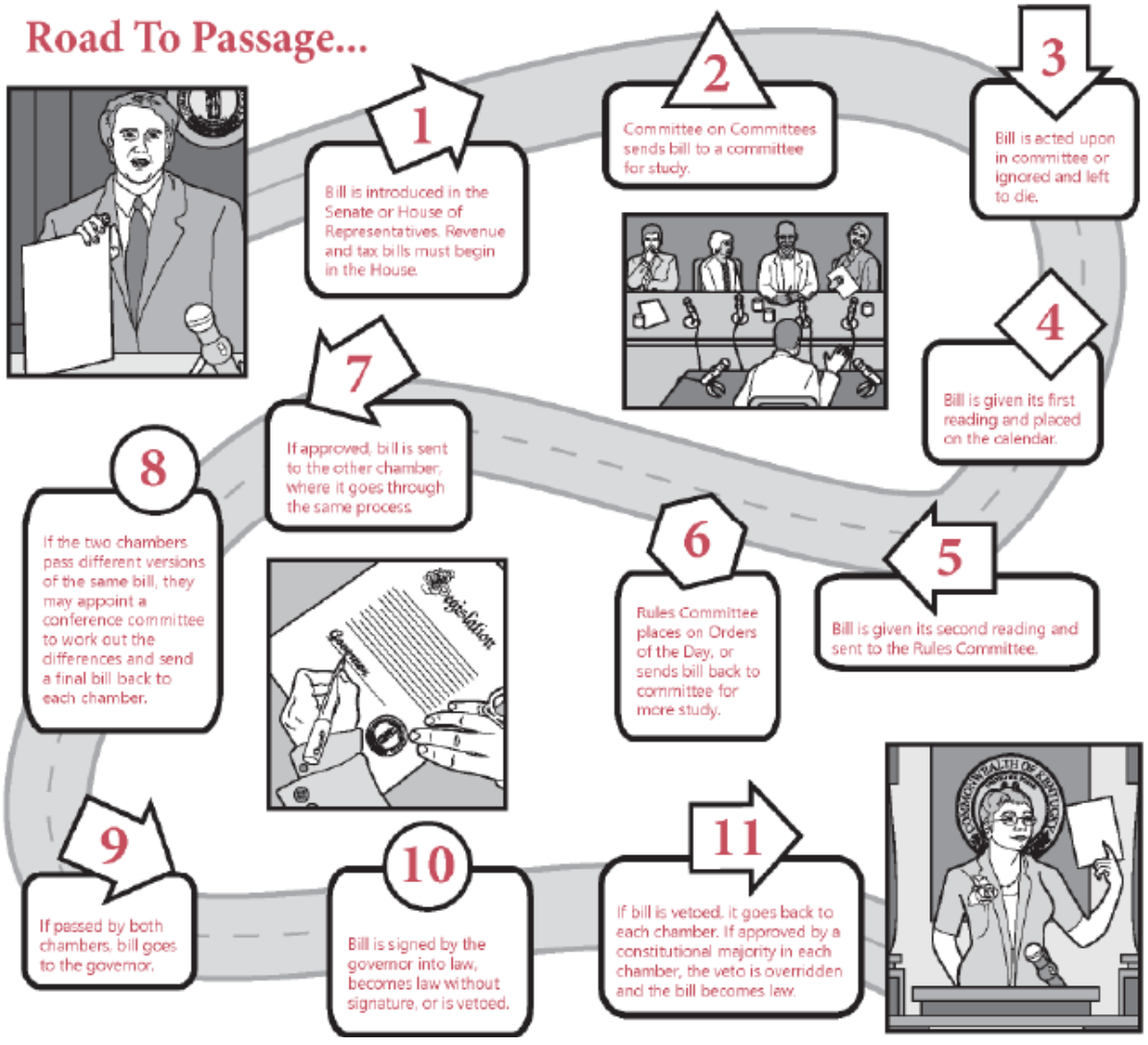

Image Credit: Kentucky Legislative Research Commission

2025 Interim KY Housing Task Force

Following the end of the 2025 Legislative Session, the Kentucky Housing Task Force was charged with continuing the work of the 2024 Kentucky Housing Task Force by studying and reviewing the current and future housing needs of Kentuckians.

The Kentucky Housing Task Force was established to study, review, and perform

- A demographic analysis of housing costs, population, and employment opportunities statewide and regionally in Kentucky;
- A comprehensive review of state and local laws, regulations, policies, and procedures that affect housing;
- An analysis of the availability and accessibility of housing to include examination of the costs of housing, utilities, and access to healthcare;
- An evaluation of land use, zoning, infrastructure, and community planning to identify barriers that impede the development and availability of accessible, adequate, and affordable housing; and
- An examination of efforts and policy changes in other states and municipalities to address increasing housing supply and encourage homeownership.

From the work of this task force, a summary of recommendations was provided for legislators to address during future legislative sessions. A summary of the recommendations of the task force include:

- Ease requirements and eliminate mandates placed on multifamily and middle housing contained in the state building code, to treat those kinds of units similarly to single family homes.
- Place a two-year moratorium on any changes to the state building and electric codes that would result in any increase to construction costs of residential units.
- Require state agencies to consider the effects that any regulation have on housing costs prior to adoption.
- Allow qualified third-parties to conduct required inspections during the construction of housing units.
- Implement changes to local land use polices including reduction in minimum lot size, setback, parking, and single stair requirements.
- Require local governments to conduct any plan review in a timely manner.
- Adopt legislation allowing religious developers to construct affordable housing on their property.
- Allow development and redevelopment of property that matches the existing characteristics of an area, and encourage urban infill and conversions of commercial space to residential.

- Secure the rights of housing developers at the time they apply for permitting from a planning unit.
- Continue to assess the necessity of additional restrictions on standing to challenge planning decisions.
- Adopt legislation that will provide local governments with additional tools, including incentives to developers and special assessments, to promote housing construction.
- Consider legislation updating the real estate transaction fees that fund the affordable housing trust fund to bring them in line with peer states.
- Adopt proposed changes to the rehabilitation tax credit that will result in a more efficient use of resources and encourage projects that increase the number of housing units.
- Strongly consider state appropriations to address housing issues by directly supporting housing construction, including appropriations to a residential infrastructure revolving loan fund or a state matching low-income housing tax credit.

BILLS THAT BECAME LAW

The Legislative Committee tracked over 30 bills during the 2026 legislative session, on topics including short-term rentals, housing, eminent domain, and building code updates. Of these 30 bills, two bills became law in 2026 that may impact daily operations for local planning departments.

This section will provide information on the bills that were passed during the 2026 session, including bill synopsis and sponsors, relevant bill text, and general guidance from the committee. The first bill in this section, however, is going to address HB 160 from the 2025 session, as the bill went into effect on July 1, 2026.

BILLS THAT DID NOT BECOME LAW

This section will also provide information on SB 9, which ultimately became an omnibus housing bill. The bill ultimately did not pass, but the amendments to the bill contain several topics that will likely be revisited in the 2027 regular session. Information on SB 9 is located at the end of this section.

HB 160: 2025 Housing Affordability Bill

Bill Synopsis

HB 160 amends KRS 100.348 to prohibit a local government from adopting or enforcing zoning regulations that treat manufactured homes differently from single-family homes. This bill was passed with an effective date of July 1, 2026.

Bill Sponsors

Susan Witten; Chad Aull; Ken Upchurch; Jason Nemes; Mike Clines; Patrick Flannery; Daniel Grossberg; John Hodgson; Tom Smith; Daniel Fister; Joshua Watkins; T.J. Roberts; Al Gentry; DJ Johnson; John Blanton; Bill Wesley

APA-KY Guidance

Update definitions of "Qualified Manufactured Home" and "Permanent Foundation". Include qualified manufactured homes in any residential zone where single-family residences are permitted. Check other compatibility requirements are met and amend the zoning code as required.

Relevant Bill Information

1. Amends the definition of "Qualified Manufactured Home". A qualified manufactured home means a manufactured home that meets all of the following criteria:
   a. Is manufactured on a date not to exceed five (5) years prior to the date of installation and has all parts that operate only during transport removed;
   b. Is affixed to a permanent foundation and is connected to the appropriate facilities and is installed in compliance with KRS 227.570;
   c. Has a width of at least twenty (20) feet at its smallest width measurement or is two (2) stories in height and oriented on the lot or parcel so that its main entrance faces the street; and
   d. Has a minimum total living area of nine hundred (900) square feet
2. Amends the definition of "Permanent Foundation". "Permanent foundation" means a system of supports that is:
   a. Capable of transferring, without failure, into soil or bedrock, the maximum design load imposed by or upon the structure and complies with KRS 227.570;
   b. Constructed with materials that are compatible with surrounding residential structures so long as the materials do not compromise the structural engineering of the home in conflict with KRS 227.570 and
   c. Placed at a depth below grad adequate to prevent frost damage, in accordance with the manufacturer's installation requirements and KRS 227.570.

3. Except as provided in subsection (4) of this section, a local government shall not adopt or enforce any zoning regulation, ordinance, or other requirement that:
    a. Excludes qualified manufactured homes from any residential zone where single-family residences are permitted;
    b. Discriminates against qualified manufactured homes; or
    c. Imposes foundation requirements on manufactured homes that:
        i. Conflict with the structural engineering of the homes;
        ii. Conflict with KRS 227.570;
        iii. Require more than one (1) type of permanent foundation system.

4. Subsection 4
    a. Any architectural compatibility standards applied to qualified manufactured homes must be equivalent to, and not more stringent than, those standards applied to other single-family residential structures in the same zone.
    b. The compatibility standards adopted by a local government shall be limited to the following architectural features that have a significant impact on the overall assessed value of the structure:
        i. Roof pitch;
        ii. Square footage of livable space;
        iii. Type and quality of exterior finishing materials;
        iv. Foundation skirting;
        v. Existence and type of attached structures; and
        vi. Setback restrictions, lot dimensions, and orientation of the home on the lot, so long as they are no stricter than those for site-built homes within the same zone.

5. A manufactured home that does not meet the minimum width of twenty (20) feet or a minimum living area of nine hundred (900) square feet needed to be considered a qualified manufactured home under subsection (2)(d) of this section may be treated as a qualified manufactured home for the purposes of subsection (3) and (4) of this section if:
    a. The setback requirements or lot dimensions would not reasonably accommodate a home meeting these minimum dimensions;
    b. The home is the maximum width and square footage that could reasonably fit on the lot while complying with all applicable setback requirements and other zoning regulations; and
    c. The home otherwise meets all other requirements of a qualified manufactured home under this section.
6. Any zoning regulation, ordinance, or requirement that violates this section is void and unenforceable.
7. Cities located in a county containing a consolidated local government that do not have authority to adopt zoning regulations as set out in KRS 100.137(3), may enact compatibility standards pursuant to subsection (4) of this section that are in lieu of standards adopted by the consolidated local government.

HB 333: Affordable Housing by Religious Developers

Bill Synopsis

This bill requires cities and planning units to treat qualifying affordable housing by religious developers as a permitted use, limiting review to ministerial compliance only. This bill preempts local zoning and land use authority by prohibiting discretionary review for qualifying developments meeting specified criteria.

Sponsors

Michael Sarge Pollock; Sarah Stalker; Beverly Chester-Burton

APA-KY Guidance

This bill is limited in scope and effect. The properties have to meet very specific criteria that are provided in the legislation. Updates to zoning codes and development codes may not be needed; however, knowing about this new section of KRS 100 and what it permits and what it requires will be helpful if this use is proposed.

The new legislation does permit religious institutions to operate temporary homeless shelters *"designed to provide temporary living accommodations or a temporary cooling or warming center during extreme weather events"* if the religious institution is located in a commercial, business, or industrial zoning district. Updates can be made to land use tables in zoning ordinances and development codes to reflect this new permitted use.

For both of these new regulations, discussions with legal counsel should guide all text amendments.

Relevant Bill Information

The new legislation requires cities and planning units to treat qualifying affordable housing by religious developers as a permitted use, and it limits the ability to review the proposed project to the cities development regulations to ministerial compliance only. The legislation also preempts local zoning and land use authority by prohibiting discretionary review for qualifying developments meeting specified criteria (see next slide).

The bill defines affordable housing as, "a residential dwelling unit reserved for a household whose income does not exceed 80% of the median income for the area as set out by the United States Department of Housing and Urban Development.

Additionally, this new section allows religious institutions to operate a homeless shelter designed to provide temporary living accommodations or a temporary cooling or warming center during extreme weather events. This shall be considered a permitted use in all commercial, business, and industrial zones provided the religious institution has obtained all other permits as required by all state and local agencies.

Proposed affordable housing developments seeking to use this new section of KRS 100 must meet all of the following requirements:

- The development is located on property owned by the religious institution;
- The property where the development is to be located was purchased by the religious institution prior to January 1, 2026, and owned by the religious institution throughout the duration of the obligation in paragraph (g) of this subsection;
- The development exclusively contains affordable housing;
- The property where the development is to be located:
    - Is on a parcel in a commercial or business zone;
    - Is on a parcel in a residential zone that is adjacent to a road classified as part of the state primary road system pursuant to KRS 177.020 and is adjacent to a parcel in a commercial, business, or industrial zone; or
    - Contains a structure that was used as a school prior to the effective date of this Act, and the development is for the conversion of that structure into affordable housing;
- The development contains 24 or fewer units;
- The development would not lead to more than 24 affordable housing units being located on that parcel, any contiguous parcel owned by the religious institution, or cumulatively on parcels owned by the religious institution within 1/2 mile of the development; AND
- The religious developer has obtained all other permits, including permits, as required.

HB 542: Eminent Domain

Sponsors

Robby Mills; Donald Douglas

Bill Synopsis

The new bill requires condemners to submit a sworn report showing no feasible alternative location when taking property in agricultural districts or under conservation easements, with exceptions for municipal utility or city utility easements that do not impact agricultural operations or infrastructure. The legislation imposes new pre-condemnation requirements, including written purchase offers, limits on misleading tactics, and a required independent appraisal period before filing, violations result in dismissal and potential liability for costs and attorney's fees.

New, enhanced notice and transparency requirements have been established prior to property entry, including detailed project information, timelines, and property owner rights, along with the ability to request a public meeting. Additionally, it requires condemners to ensure continued reasonable access to property during partial takings and clarifies compensation standards, including consideration of agricultural infrastructure.

APA-KY Guidance

This legislation likely will not affect day-to-day operations of planning and zoning offices; however, staff should be aware of its passing to provide guidance and assistance to elected officials as needed.

SB 9: Omnibus Housing Legislation

Senate Bill 9 was originally intended to establish residential infrastructure development districts. It created a new section of KRS 65 to permit local governments to issue bonds or other debt obligations to pay for the infrastructure of these new development districts and used a special assessment from all properties located in the district to pay for the bonds. These development districts were required to be at least five acres in size; required a capital cost exceeding $5,000,000 to complete; and at completion, at least 50% of its space is required to be dedicated to residential housing.

During the final days of the 2026 session, the House and Senate could not concur on the omnibus housing regulations that were added as a committee substitute, which included language from 11 bills filed during the 2026 legislative session. This new language included several policies that significantly impact local governments' ability to manage development and protect their communities including short term rental & housing and development preemption. Ultimately **the legislation failed to pass before the end of the regular session**. Several, if not all, of those 11 topics that were included in this omnibus legislation will likely be revisited in the short format 2027 legislative session.

Section 8: Vested Rights in Development Standards (from SB 224)

- Applicants obtain:
    - 3-year vesting of development standards from application date
    - 5-year vesting for approved plans (or permit duration)
- Prohibits denial based on later changes in standards
- Prohibits requiring waiver of vested rights
- Allows for termination under certain circumstances including but not limited to:
    - Violations of approvals or ordinances
    - Changes in law
    - Misrepresentation
- Allows exceptions for the override of vested rights including but not limited to:
    - Written consent
    - Public health/safety/welfare
    - Hazard discovery (natural or man-made)

Section 9: Cause of Action to Challenge Planning & Zoning Decision (from SB 224)

- Modifies standing and appeals for planning/zoning decisions:
    - Removes automatic standing solely based on owning property in the same zone
    - Establishes specific categories of who has standing
        - Applicant who initiated proceeding subject to final action
        - Property subject to final action's owner
        - A third party with specific conditions met
    - Provides exceptions to the participation in approval process required, if the required notice was not received
    - Retains 30-day appeal deadlines and procedural rules

Section 10: Residential Building Permits (from HB 730)

- Establishes permit review timelines and third-party inspection process for certain residential construction
- Applies to "qualifying property" that is 10 or less residential units that include mixed-use developments
- Includes specific requirements for regulatory authorities:
    - Must provide clear application requirements upfront
    - Must notify applicant within 5 business days if the application is complete or deficient
    - Must identify deficiencies and allow resubmissions
- The authority must notify the applicant if it can meet the following deadlines: A plan review within 10 business days and an inspection within 5 business days
- If deadlines are not met after the regulatory authority notifies the applicant, it can meet them:
    - The regulatory authority shall issue a temporary permit
    - Fees refunded to the applicant, not including the $100 administration fee
- Permits an applicant to use a qualifying third-party building inspector to perform plan review or inspection regardless of whether timelines are met by the regulatory authority.

Section 15: Regulation of Occupancies by Local Governments (from HB 617)

- Prohibits local governments and special districts from adopting or enforcing occupancy rules for dwelling units that:
    - Limit occupancy to less than two occupants per bedroom, or
    - Base occupancy restrictions on the familial or nonfamilial relationship or marital status of the occupants

Section 16: Limits Parking Requirements from Planning Units (from HB 617)

- A planning unit may not require more than one parking space per residential unit
- A planning unit may not impose any minimum parking requirements for:
    - Existing buildings undergoing a change of use
    - Licensed child-care facilities
    - Deed-restricted affordable housing
    - Assisted living facilities

Section 17: Residential Developments in Commercial Zones (from HB 617)

- Provides that mixed-use residential developments and multifamily residential developments are permitted uses in all commercial zones.
- States that these residential developments are not subject to additional permitting that would otherwise be required for such a structure in a residential zone.
- Prohibits a qualifying planning unit from adopting or enforcing regulations or ordinances that:
    - Prohibit those developments in commercial zones
    - Impose requirements more restrictive than those placed on other comparable uses in the commercial zone
    - Require more parking than allowed under Section 16.
- Does not apply to property in a designated historic overlay district unless the local government adopts an ordinance or resolution making the property subject to this section.

Section 18: Short Term Rentals (from SB 112)

- Blocks local zoning authority over short-term rentals, including the use of density, location, and spacing ordinances applicable to STRs.
- Allows a self-reporting registration system that does not include provisions for local governments to require or enforce.
    - Includes fees and information that can be requested.
- Prohibits the use of conditional use permits unless an owner has had their registration revoked following 3 or more ordinance violations in a calendar year.
- Invalidates and prohibits ordinances that regulate the use of property as a STR in any residential zone or that regulate time, duration, or frequency of use.
- Limits cities' ability to address impacts on housing availability, affordability, and neighborhood character.
- Allows recovery of attorney fees and court costs against a local government for violating the new law.
- Preempts local governments from requiring that each owner identify a local agent responsible for receiving complaints.
- Invalidates any current imposed ordinances that are not aligned with these requirements are void and unenforceable, including existent, noncompliant registries.

Section 21: Regulation of Low Voltage Battery-Charged Security Fences by Local Governments (from HB 662)

- Low voltage battery-charged security fences may be installed and operated on any property that is not used as or exclusively zoned for residential purposes without need to obtain a local government permit, approval, or other authorization, except for an alarm permit when required by a local government.
- Shall not be interpreted or construed to limit a local government's powers and abilities to regulate a nonelectric perimeter barrier relating to:
    - Generally applicable safety, building, electrical, and fire codes, including the KY Building Code and KY Electrical Code.
    - Generally applicable setback, height, and lot coverage requirements that apply uniformly to other fences or accessory structures.