

1 AN ACT relating to residential housing.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔Section 1. KRS 198B.050 is amended to read as follows:

4 (1) The department shall adopt and promulgate a mandatory Uniform State Building
5 Code that establishes standards for the construction of all buildings, as defined in
6 KRS 198B.010, in the state. The code shall provide that the review and approval, as
7 necessary, of building plans for conformance with the Uniform State Building Code
8 prior to construction approval shall be conducted only by the department or a local
9 government or governments delegated such responsibilities by this chapter, and any
10 exceptions to this policy shall be explicitly stated in the code.

11 (2) The code shall be comprehensive and shall include but not be limited to provisions
12 for general construction; structural quality; mechanical systems to include heating,
13 cooling, and ventilation; electrical systems; and life safety from hazards of fire,
14 explosion, and other disasters, whether caused by acts of nature or man. The code
15 shall encompass the Kentucky State Plumbing Code promulgated pursuant to KRS
16 318.130, boiler rules and regulations issued pursuant to KRS 236.030, and the
17 national electrical code.

18 (3) This code shall be designed after and may be selected from the models offered by
19 such model code agencies as the International Code Council, Inc., the National Fire
20 Protection Association, and other nationally recognized organizations which may
21 include governmental agencies. The code shall:

22 (a) Provide uniform standards and requirements for construction and construction
23 materials;

24 (b) To the extent practicable, set forth standards, specifications, and requirements
25 in terms of performance objectives, so as to facilitate the use of new
26 technologies, techniques, and materials. The code shall not discriminate in
27 favor of particular suppliers' materials, techniques, or technologies; and

1 *to, and not more stringent than standards that apply to single-family homes.*

2 ➔ Section 2. KRS 198B.060 is amended to read as follows:

3 (1) Each local government shall employ a building official or inspector and other code
4 enforcement personnel as necessary, or shall contract for inspection and code
5 enforcement services in accordance with subsections (8) and (11) of this section to
6 enforce the Uniform State Building Code within the boundaries of its jurisdiction,
7 except that permits, inspections, and certificates of occupancy shall not be
8 mandatory for single-family, *two (2), three (3), and four (4) family dwellings*
9 [*residences*] unless a local government passes an ordinance requiring inspections of
10 single-family, *two (2), three (3), and four (4) family dwellings*[*residences*].

11 (2) (a) Local governments shall be responsible for the examination and approval or
12 disapproval of plans and specifications for churches having a capacity of four
13 hundred (400) or less persons, and six thousand (6,000) or less square feet of
14 total floor area, and buildings of no more than three (3) stories in height,
15 exclusive of attic and basement, which do not contain more than twenty
16 thousand (20,000) square feet of floor area, and are not intended for
17 educational, institutional, or high hazard occupancy; or assembly, business, or
18 industrial occupancy in excess of one hundred (100) persons, except churches
19 as stated in this subsection, or for use as a frozen food locker plant as defined
20 in KRS 221.010.

21 (b) Local governments shall be responsible for the issuance and revocation of
22 building permits, licenses, certificates, and similar documents which cover
23 activities within their area of responsibility, and the inspection of all buildings
24 pursuant to this chapter and the Uniform State Building Code. Each local
25 government issuing a building or demolition permit or an initial certificate of
26 occupancy on a new structure shall send a copy of the permit or certificate to
27 the commissioner for his or her use in maintaining an accurate housing

1 inventory for Kentucky.

2 (c) Notwithstanding the provisions of paragraph (a) of this subsection or the
3 provisions of KRS 162.060, local governments may have jurisdiction for plan
4 review, inspection, and enforcement responsibility over buildings intended for
5 educational purposes, other than licensed day-care centers, but only when
6 agreed to in writing by the local government and the department. Copies of
7 documentation related to plan review, inspection, and enforcement shall be
8 provided to the Kentucky Department of Education at the time they are issued
9 to the district. Any agreements relating to expanded jurisdiction in effect on
10 July 14, 2022, may be amended accordingly.

11 (3) Urban-county governments may determine service districts within their boundaries
12 within which farm dwellings and other farm buildings, not used in the business of
13 retail trade or as a place of regular employment for ten (10) or more people, shall be
14 exempt from the requirements of the Uniform State Building Code. The
15 determination may be reviewed and altered by the department.

16 (4) (a) With the exception of single-family, **two (2), three (3), and four (4) family**
17 dwellings, the department shall be responsible for the examination and
18 approval or disapproval of plans and specifications for all buildings which are
19 not the responsibility of local governments. The department may issue and
20 revoke permits, licenses, certificates, and similar documents within its area of
21 responsibility, and shall have concurrent jurisdiction with local governments
22 for the inspection of all buildings pursuant to this chapter and the Uniform
23 State Building Code.

24 (b) If the commissioner determines that the local jurisdiction is not adequately
25 performing any portion of its program, the department may preempt that
26 portion of a local program, except that the department shall not preempt or
27 assert jurisdiction for the enforcement of the code on single-family, **two (2), three (3), and four (4) family**

1 three (3), and four (4) family dwellings. The commissioner shall explain his
2 or her reasons for preemption in writing and provide a copy to the local
3 jurisdiction.

4 (c) The local jurisdiction may appeal the preemption directly to the
5 commissioner, and the department shall review the appeal according to the
6 procedures found in subsections (8) to (10) of KRS 198B.070. No preemption
7 by the commissioner shall take place until a final decision has been issued in
8 an appeal under this subsection.

9 (d) If the department preempts any portion of a local program, it shall collect the
10 fees applicable to that portion of the program.

11 (5) (a) Any local government may petition the commissioner requesting that
12 additional plan review functions be allocated to that local government. The
13 petition shall include evidence of the local government's capability to perform
14 additional plan review functions.

15 (b) The commissioner, after review of the petition and supporting evidence, may
16 grant or deny to the local government any part of a request for additional
17 responsibility. If the commissioner denies any part of a petition, he or she
18 shall explain his or her reasons for denial in writing, and provide a copy to the
19 local government.

20 (c) A local government may appeal the denial directly to the commissioner, and
21 the department shall review the appeal according to the procedures found in
22 subsections (8) to (10) of KRS 198B.070.

23 (d) If the local government is granted additional responsibility by the
24 commissioner, the department shall hold concurrent jurisdiction over the
25 additional responsibility, but the local government shall collect any fees for
26 functions it performs pursuant to the additional responsibility.

27 (6) Any local government may also petition the commissioner requesting that plans and

1 specifications inspection, building inspection, and approval responsibility relating
2 to the application of local plumbing permits for local installations be allocated to
3 the local government. The petition shall not be granted unless the local government
4 has demonstrated to the commissioner that it can perform these functions in
5 accordance with KRS 198B.050 to 198B.090.

6 (7) The commissioner shall expedite the review of plans and specifications by
7 assigning responsibilities and coordinating review activities among the department's
8 various functional divisions so as to prevent unnecessary duplication in the review
9 of plans and specifications.

10 (8) No building shall be constructed in this state until a local building official and an
11 official representing the department, if the department has jurisdiction, issue a
12 permit for the construction. Nothing in this subsection shall require a single-family,
13 two (2), three (3), or four (4) family dwelling to be permitted or inspected unless a
14 local government has established a building inspection program as set out in this
15 section.

16 (9) The local building official or the representative of the department shall issue a
17 permit if the proposed building satisfies the requirements of the Uniform State
18 Building Code and if the party desiring to construct the building has complied with
19 all other legal requirements concerning the location and construction of the
20 building. The applicant for a building permit, by the act of applying for the permit,
21 shall be deemed to have consented to inspection by the local government or the
22 department, of the building during construction and upon the completion of
23 construction for the purpose of determining that the building is constructed in
24 compliance with the Uniform State Building Code.

25 (10) (a) No permit for building, construction, reconstruction, renovation, demolition,
26 or maintenance or for any activity related to building, construction,
27 reconstruction, renovation, demolition, or maintenance shall be issued by any

1 building department or by any political subdivision of the Commonwealth of
2 Kentucky to any person seeking the permit unless the person shall assure, by
3 affidavit, that all contractors and subcontractors employed, or that will be
4 employed, on activity covered by the permit shall be in compliance with
5 Kentucky requirements for workers' compensation insurance according to
6 KRS Chapter 342 and unemployment insurance according to KRS Chapter
7 341.

8 (b) Any person who fails to comply with the assurances required under paragraph
9 (a) of this subsection upon such finding by a court of competent jurisdiction,
10 shall be fined an amount not to exceed four thousand dollars (\$4,000) or an
11 amount equal to the sum of all uninsured and unsatisfied claims brought under
12 the provisions of KRS Chapter 342 and unemployment insurance claims for
13 which no wages were reported as required by KRS Chapter 341, whichever is
14 greater.

15 (c) The penalty imposed in paragraph (b) of this subsection shall be enforced by
16 the county attorney for the county in which the violation occurred.

17 (11) A certified electrical inspector shall be employed by, or contracted for, or
18 contracted with a local government having responsibility over buildings described
19 in this section as part of its building inspection program. After a certified electrical
20 inspector has been provided for by the local government or the department, no
21 utility shall initiate permanent electrical service to any new building, or any
22 building which has been moved, until a final certificate of approval has been issued
23 by a certified electrical inspector. Unless the department shall notify the utility in
24 writing as to which buildings are subject to department approval, it shall be
25 presumed by the utility that the building is subject to the jurisdiction of the local
26 government. However, nothing in this section shall prohibit the supply or use of
27 necessary electrical services during the construction and testing process.

- 1 (12) This section shall apply to industrialized building systems, but destructive
2 disassembly of industrialized building systems which carry a seal of approval
3 pursuant to a manufactured building law in the state in which they were
4 manufactured, which seal of approval is accepted by the department, shall not be
5 performed in order to conduct the tests or inspections.
- 6 (13) No building on which construction was begun nor any industrialized building
7 system on which site preparation and assembly were begun after the Uniform State
8 Building Code became effective shall be occupied until the local building official or
9 a representative of the department issues a certificate of occupancy certifying that
10 the building was constructed in conformance with the standards of the Uniform
11 State Building Code, or assembled or installed in conformance with applicable
12 instructions. Nothing in this subsection shall be construed to require a certificate of
13 occupancy to be issued for any single-family, **two (2), three (3), or four (4) family**
14 dwelling unless a local government has established jurisdiction for the enforcement
15 of the Uniform State Building Code under this section.
- 16 (14) A local government may associate with other local governments, and may seek the
17 technical assistance of other agencies or area development districts in order to
18 provide for the local enforcement of the Uniform State Building Code.
- 19 (15) Local governments or associations of local governments may contract with a
20 person, firm, or company to perform the plans and specifications inspection or
21 building inspection functions required of the local government by the provisions of
22 this section if:
 - 23 (a) The person performing the plans and specifications inspection is certified by
24 the department as having successfully completed the test requirements
25 provided by KRS 198B.090 to practice as a certified plans and specifications
26 inspector;
 - 27 (b) The person performing the building inspection is certified by the department

1 as having successfully completed the test requirements provided in KRS
2 198B.090 to practice as a certified building inspector;

3 (c) The person, firm, or company does not have a conflict of interest between its
4 plan review or inspection functions and any other employment or business
5 activities;

6 (d) The person performing the plumbing inspection is certified by the department
7 as having successfully completed the requirements provided in KRS 318.140
8 to practice as a certified plumbing inspector; and

9 (e) The person, firm, or company does not have a conflict of interest between its
10 plan review or inspection functions and any other employment or business
11 activities.

12 (16) If the department has reason to believe that an inspector is not enforcing, or is
13 improperly enforcing, the provisions of the Kentucky building codes, it shall
14 conduct an informal hearing to review the inspector's procedures and return in
15 written form the required corrections resulting from the hearing to the inspector, or
16 may take action to suspend or revoke the inspector's certificate.

17 (17) If the inspector fails to comply within sixty (60) days of a written notification from
18 the department that specifies the required corrections, the department shall suspend
19 the inspector's certification until the inspector complies. Any action to suspend or
20 revoke an inspector's certificate may be appealed to the department, and upon
21 appeal an administrative hearing shall be conducted in accordance with KRS
22 Chapter 13B.

23 (18) Each local government and the department may establish a schedule of fees for the
24 functions performed under this chapter. The fees shall be designed to fully cover,
25 but shall not exceed, the cost of the service performed. Fees payable to the
26 department shall be paid into the State Treasury and credited to a trust and agency
27 fund to be used by the department in carrying out this chapter. No part of this fund

1 shall revert to the general fund of the Commonwealth.

2 **(19) Notwithstanding any provision of law to the contrary, a person seeking any plan**
3 **review or inspection in accordance with this section may have that plan review or**
4 **inspection performed by a licensed third-party inspector pursuant to Section 3 of**
5 **this Act.**

6 ➔ SECTION 3. A NEW SECTION OF KRS CHAPTER 198B IS CREATED TO

7 READ AS FOLLOWS:

8 **(1) As used in this section:**

9 **(a) "Applicant" means a person who applies for a permit;**

10 **(b) "Permit" means:**

11 **1. An authorization required to conduct any construction-related**
12 **activities involving a qualifying property; or**

13 **2. A certificate of occupancy or other similar certification for a**
14 **qualifying property;**

15 **(c) "Qualifying property":**

16 **1. Means a residential building containing ten (10) or fewer units; and**

17 **2. Includes buildings with mixed commercial and residential uses;**

18 **(d) "Qualifying third-party inspector" means a third-party inspector that is not:**

19 **1. In any way affiliated with or financially interested in the project to be**
20 **reviewed or inspected; or**

21 **2. An employee of a regulatory authority from which the permit that is**
22 **the subject of an application is sought;**

23 **(e) "Regulatory authority" means a state or local governmental entity**
24 **enforcing any state code for which a permit is required;**

25 **(f) "Regulatory fee" means any fee, including a permit fee, application fee,**
26 **inspection fee, or any other similar fee, that a regulatory authority requires**
27 **as part of its enforcement of any state code for which a permit is required;**

1 *and*

2 (g) "Third-party inspector" means:

1. An architect licensed under KRS Chapter 323;
2. An engineer licensed under KRS Chapter 322;
3. An electrical inspector certified under KRS Chapter 227; and
4. A building inspector, plans and specifications inspector, or plumbing inspector certified under KRS 198B.090.

8 (2) A regulatory authority shall provide any prospective applicant with a schedule of
9 the requirements for applying for and obtaining any permit, including:

10 (a) A list of any plan reviews or inspections that are required by the regulatory
11 authority to obtain a permit;

12 **(b) The timelines set forth in this section regarding notification and submission**
13 **of documents;**

14 (c) Any regulatory fees charged by the regulatory authority; and

17 (3) (a) After an applicant has submitted an application for a permit, the regulatory
18 authority shall send the applicant a notice indicating whether the
19 application is complete, except for any required plan review or inspection,
20 within three (3) business days of receiving the application. The notice shall
21 contain a statement indicating whether the regulatory authority is able to
22 conduct a plan review and inspection within the time limits established in
23 subsection (4)(a)1. and 2. of this section.

24 (b) *If an applicant is notified that an application for a permit is deficient;*

25 1. The notification shall contain a list of any deficiencies in the
26 application; and

27 2. The applicant may submit revisions to the application to cure any

1 **deficiencies.**

2 (c) A regulatory authority shall send an applicant a notice indicating whether
3 the deficiencies of the application have been cured within three (3) business
4 days of receiving the revisions.

5 (d) An applicant may resubmit an application for a permit any number of times
6 until the application is deemed complete, except for any required plan
7 review or inspection, and a regulatory authority's responses shall be subject
8 to the three (3) day time limit set out in this subsection.

9 **(4) (a) If the regulatory authority notifies an applicant that an application is**
10 **complete, except for any required plan review or inspection, the regulatory**
11 **authority shall conduct any required:**

14 2. Inspection within five (5) business days after receiving a written
15 request for the inspection.

16 (b) The periods set out in paragraph (a)1. and 2. of this subsection may be
17 extended:

18 1. If a cause outside the control of the regulatory authority requires an
19 extension and the regulatory authority provides the applicant a written
20 explanation articulating the need for the extension, except in no case
21 shall the extension exceed an additional fourteen (14) business days
22 for plan review or an additional five (5) business days for inspection;

2. If an extension is necessary due to the fault of the applicant; or

3. If the applicant and the regulatory authority agree to an extension,

out in paragraph (a) of this subsection.

2. The cost for any plan review or inspection performed by a qualifying third-party inspector shall be at the applicant's own expense.

3. A regulatory authority that has notified an applicant under subsection (3)(a) of this section that it cannot meet the deadlines established in paragraph (a)1. and 2. of this subsection:

a. Shall refund any fees paid to the regulatory authority associated with the review or inspection if the applicant elects to use a qualifying third-party inspector as authorized in subparagraph 1. of this paragraph; and

b. May withhold from the refund an administrative fee not to exceed one hundred dollars (\$100).

4. A regulatory authority that has notified an applicant under subsection (3)(a) of this section that it can meet the deadlines established in paragraph (a) of this subsection, but fails to meet those deadlines, shall:

a. Issue a temporary permit to the applicant that allows the applicant to begin work; and

b. Refund all fees paid to the regulatory authority for the review or inspection associated with the application.

21 (5) (a) A qualifying third-party inspector may perform any plan review or
22 inspection that is required by a regulatory authority to determine
23 compliance with regulatory requirements and necessary to receive a
24 building permit or certificate of occupancy, including but not limited to
25 inspections of:

1. *Footings:*

2. Foundations;

- 1 3. Concrete slabs;
- 2 4. Framing;
- 3 5. Electrical;
- 4 6. Plumbing;
- 5 7. Heating;
- 6 8. Ventilation; and
- 7 9. Air conditioning.

- 8 (b) Any plan review or inspection conducted by a qualifying third-party
inspector shall be at least as extensive as a plan review or inspection that
would be conducted by the regulatory authority.
- 9 (c) A qualifying third-party inspector shall only perform a plan review or
inspection that is within the scope of the qualifying third-party inspector's
competency.
- 10 (d) Upon completing a plan review or inspection, a qualifying third-party
inspector shall prepare an affidavit certifying under oath that:
 - 11 1. The plans were reviewed or inspection was conducted by the third-
party inspector;
 - 12 2. The third-party inspector was duly authorized to perform the review or
inspection as set out in this section;
 - 13 3. The third-party inspector maintains the insurance coverage in
accordance with paragraph (f) of this subsection;
 - 14 4. The third-party inspector has the appropriate registration or
certification, and the plan review or inspection conducted was within
the scope of the third-party inspector's competence; and
 - 15 5. The plans or subject of the inspection comply with all applicable state
and local requirements.
- 16 (e) A qualifying third-party inspector shall submit a copy of a plan review or

1 inspection report conducted pursuant to this section to the regulatory
2 authority within five (5) days of its completion. As part of this submission,
3 the qualifying third-party inspector shall submit:

- 4 1. The affidavit required in paragraph (d) of this subsection;
- 5 2. Any remaining fees; and
- 6 3. Any other documents required by the regulatory authority to
7 determine compliance.

8 (f) A qualifying third-party inspector shall maintain insurance coverage for
9 personal liability insurance of at least:

- 10 1. One million dollars (\$1,000,000) per claim; and
- 11 2. Two million dollars (\$2,000,000) of aggregate coverage.

12 (g) A qualifying third-party inspector performing any activities pursuant to this
13 subsection shall be subject to the disciplinary guidelines of his or her
14 relevant professional licensing or certification board. Any complaint,
15 investigation, or discipline arising out of a qualifying third-party inspector's
16 activities pursuant to this subsection shall be conducted by his or her
17 relevant professional licensing or certification board.

18 (6) A regulatory authority shall issue a permit or approval to an applicant within one
19 (1) business day following the completion of any required plan review or
20 inspection, or within one (1) business day following the receipt of documentation
21 of a plan review or inspection by a third-party inspector that complies with
22 provisions set out in subsection (5) of this section.

23 (7) Any ordinance, rule, or regulation of a regulatory authority that conflicts with
24 this section is void and unenforceable.

25 (8) This section shall not be construed to prohibit a regulatory authority from issuing
26 a stop work order if the regulatory authority determines that a condition of a
27 building project constitutes an immediate threat to public safety and welfare.

1 (9) A regulatory authority and any of its agents shall be immune from liability to any
2 person for any action or inaction by a qualifying third-party inspector or
3 applicant under this section.

4 ➔Section 4. This Act takes effect July 1, 2027.