

1 AN ACT relating to regulation of residential construction.

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

3 ➔Section 1. KRS 198B.030 is amended to read as follows:

- 4 (1) There is hereby created the Kentucky Department of Housing, Buildings and  
5 Construction within the Public Protection Cabinet. The Governor shall appoint a  
6 commissioner to head the department. The commissioner shall receive for his or her  
7 services such compensation as the Governor shall determine.
- 8 (2) The commissioner may employ sufficient staff to carry out the functions of the  
9 commissioner's office. Neither the commissioner nor any member of his or her staff  
10 shall be employed, either directly or indirectly, in any aspect of the building  
11 industry as regulated by this chapter while employed by the Department of  
12 Housing, Buildings and Construction.
- 13 (3) The department shall perform all budgeting, procurement, and other administrative  
14 activities necessary for the statewide regulation and enforcement of building,  
15 construction, and inspection standards and codes. The department or commissioner  
16 shall submit any proposed administrative regulation to the committee and shall not  
17 promulgate the administrative regulation without giving the committee the  
18 opportunity to produce written comments, as required by subsection (8) of this  
19 section. If the committee chooses to produce written comments, the comments shall  
20 be attached to any public submission of the administrative regulation, including any  
21 filing under KRS Chapter 13A.
- 22 (4) The department may enter into contracts or agreements with the federal  
23 government, its subdivisions and instrumentalities, other agencies of state  
24 government or with its subdivisions and instrumentalities, or with private profit or  
25 nonprofit organizations in order to effect the purposes of this chapter.
- 26 (5) The commissioner shall cooperate with the agencies of the United States and with  
27 the governing bodies and housing authorities of counties, cities, and with not for

1 profit organizations and area development districts in relation to matters set forth in  
2 this chapter, and in any reasonable manner that may be necessary for the state to  
3 qualify for, and to receive grants or aid from these agencies. The commissioner  
4 shall have the power to comply with each condition and execute any agreement that  
5 may be necessary, convenient, or desirable.

6 (6) Nothing in this chapter shall preclude any other agency, board, or officer of the  
7 state from being designated as the directing or allocating agency, board, or officer  
8 for the distribution of federal grants and aid, or the performance of other duties to  
9 the extent necessary to qualify for and to receive grants and aid for programs under  
10 the administration of the department.

11 (7) The commissioner is authorized to receive, for and on behalf of the state and the  
12 department from the United States and agencies thereof, and from any and all other  
13 sources, grants and aid and gifts made for the purpose of providing, or to assist in  
14 providing, any of the programs authorized by this chapter, including expenses of  
15 administration. All funds received under this subsection shall be paid into the state  
16 treasury and credited to a trust and agency fund to be used by the department in  
17 carrying out the provisions of this chapter. No part of this fund shall revert to the  
18 general fund of the Commonwealth.

19 (8) (a) If the department has proposed a new or amended administrative regulation  
20 that directly and clearly relates to the work of a profession, class of workers,  
21 or industry that is under the authority of the committee, the department shall  
22 not promulgate the proposed administrative regulation without first receiving  
23 comments from the committee, subject to the restrictions of paragraph (b) of  
24 this subsection.

25 (b) 1. The committee shall be granted a maximum of thirty (30) days to submit  
26 its comments on the proposed regulatory change. This subparagraph  
27 does not apply to an administrative regulation that is a new emergency

1 administrative regulation.

2 2. The time limits in this paragraph shall begin from the day the  
3 department submits the regulatory change and sets a date for a proposed  
4 hearing for the comments of the committee. If the committee is already  
5 scheduled to meet at a time that will give it an adequate opportunity to  
6 review the administrative regulation and respond, the hearing may be  
7 held at that meeting.

8 3. If the committee is not scheduled to meet or meets only at the call of the  
9 department, the department shall arrange for the committee to meet at a  
10 time that will allow the committee an adequate opportunity to review  
11 and comment on the regulation within the time limit. If the committee  
12 fails to comment within the time limit, the department may proceed with  
13 the administrative changes at its discretion.

14 (c) To the extent that any other statute relating to the department's authority to  
15 promulgate administrative regulations conflicts with this section, this section  
16 shall take precedence.

17 (d) The department may issue advisory opinions and declaratory rulings related to  
18 KRS Chapters 198B, 227, 227A, 236, and 318 and the administrative  
19 regulations promulgated under those chapters.

20 **(9) (a) If the department has proposed a new or amended administrative**  
21 **regulation, it shall determine how the regulation, if adopted, would affect**  
22 **residential construction by conducting:**

23 **1. A cost-benefit analysis, which shall include estimates of any potential:**

24 **a. Compliance costs that would be incurred by residential builders;**

25 **and**

26 **b. Benefits to the public including improvements to quality of life**

27 **and safety; and**

1            2. An analysis estimating any potential increase or decrease in the  
2            amount of residential construction in the Commonwealth.

3            (b) The analyses required under paragraph (a) of this subsection shall be:

4            1. Completed prior to and included with the submission of the  
5            administrative regulation to the committee under subsection (8) of this  
6            section; and

7            2. Included as an attachment to the administrative regulation when it is  
8            filed with the Legislative Research Commission in accordance with  
9            KRS Chapter 13A.

10           ➔Section 2. On or after the effective date of this Act, and prior to January 1,  
11           2029, the Department of Housing, Buildings and Construction shall not promulgate any  
12           administrative regulation to alter or amend a state code under its purview if that  
13           administrative regulation would result in any increase in costs related to the construction  
14           of residential housing, unless a specific change in regulation is explicitly required by state  
15           or federal law.