

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
Session**

**Part I: Measure Information**

**Bill Request #:** 1550

**Bill #:** SB 234

**Document ID #:** 5328

**Bill Title:** AN ACT relating to short-term rentals.

**Sponsor:** Senator Stephen West

Unit of Government:  City  County  Urban-County  
Unified Local  
 Charter County  Consolidated Local  Government

Office(s) Impacted: Local Governments

Requirement:  Mandatory  Optional

Effect on  
Powers & Duties:  Modifies Existing  Adds New  Eliminates Existing

**Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government**

**SB 234 Section 2** would make owner-occupied short-term rentals a permitted residential use, permit non-owner-occupied short-term rentals to be subject to a conditional use permit or variance, and permit regulation of short-term rentals in certain circumstances if enforcement is in the same manner as other properties.

**Section 3** would allow planning units to require permitting for the operation of short-term rentals and enumerate the contents of a permit application, procedures for application, revocation of a permit, benefits of permit, and penalties for operating without a permit when planning unit has adopted a permitting ordinance.

**Section 5** states that the Act shall not be construed to affect regulations of a homeowner's association or other similar property owner association.

**Section 6** states that any ordinance that conflicts with provisions of the Act is unenforceable.

**The impact of SB 234 on local governments is expected to be minimal. Local governments may need to change ordinances to account for the provisions of this bill.**

Local governments that choose to create ordinances will incur costs associated with the drafting, publication, indexing and recording of adopted ordinances, and at least every five years, review and eliminate redundant, obsolete, inconsistent, and invalid provisions.

According to Kentucky League of Cities, most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting an ordinance is influenced by its complexity and the amount of research that is necessary. Currently (FY 2023), the average hourly rate was between \$117 and \$128. Rates for legal notices vary greatly depending on the length of the publication, the number of times it needs to be published and the newspaper in which the publication is placed. Therefore, these costs are unknown.

**Data Source(s):** LRC Staff; Kentucky Municipal Statutory Law, Informational Bulletin No. 145, Revised September 2023; Kentucky League of Cities

**Preparer:** Jacob Blevins (BW)      **Reviewer:** KHC      **Date:** 3/7/24