

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
2025 Regular Session**

**Part I: Measure Information**

<b>Bill Request #:</b>	297	<b>Bill #:</b>	HB 18/GA
<b>Document ID #:</b>	6936	<b>Sponsor:</b>	Representative John Hodgson
<b>Bill Title:</b>	AN ACT relating to property.		

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

Office(s) Impacted:    Any involved in zoning

Requirement:             Mandatory             Optional

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

Other Fiscal Statement(s) that may exist:     Actuarial Analysis             Corrections Impact  
     Health Benefit Mandate     State Employee Health Plan

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

Section 1 of HB 18/GA would create a new section of KRS Chapter 100 to define terms related to residential development, including "accessory dwelling unit," "density development project," "level of service," "multifamily housing," and "traditional single-family home zone." It would require that in a consolidated local government, any proposed density development project within a traditional single-family home zone be treated as a zoning map amendment and be subject to the procedures set forth in KRS 100.211, 100.2111, 100.212, 100.213, and 100.214. The planning unit would not be permitted to use the alternative regulation for zoning map amendments under KRS 100.2111 when considering a density development project.

Section 2 of HB 18/GA would create a new section of KRS Chapter 383 to prohibit property owners consolidated local governments from leasing or allowing occupancy of any single-family home, multifamily housing unit, or accessory dwelling unit on a lot containing a single-family home within a traditional single-family home zone unless the owner primarily resides in the single-family home, multifamily housing unit, or an accessory dwelling unit on the lot.

Section 3 of HB 18/GA would amend KRS 154.30-050 to create an exception for large-scale residential developments under the Signature Project Program (a program that provides tax incentives for major private developments with significant economic impact), making it easier for them to qualify for state tax incentives. Specifically, it would exempt projects where at least 50% of the finished square footage is residential from two key requirements: (1) submitting a financial feasibility report and (2) proving that the project would have a net positive economic impact on the state.

Section 4 of HB 18/GA would amend KRS 154.30-060 to create an exception for large-scale residential developments under the Commonwealth Participation Program for Mixed-Use Redevelopment in Blighted Urban Areas (a program that provides tax incentives for redeveloping blighted urban areas with mixed-use projects), making it easier for them to qualify for state tax incentives. Specifically, it would exempt projects where at least 50% of the finished square footage is residential from two key requirements: (1) submitting a financial feasibility report and (2) proving that the project would have a net positive economic impact on the state.

Section 5 of HB 18/GA would amend KRS 65.111 to prevent local governments from requiring landlords to pay emergency response fees if the response arises from the actions of a tenant, or the response was not the result of the failure by the landlord to maintain a building in compliance with applicable housing, building, plumbing, electrical, fire, health, or nuisance code requirements. The current law is broader and protects all property owners.

Section 6 of HB 18/GA would amend KRS 67C.147, pertaining to urban service tax districts within a consolidated local government, covering the area of a former city of the first class. The current law allows for different tax rates to fund additional services in that area. From July 1, 2025, to June 30, 2034, the district's tax revenue must cover an increasing share of these additional service costs—starting at 85% in 2025, rising to 100% by 2034. Section 6 would exempt services provided within the central business district as defined by the consolidated local government.

Section 7 of HB 18/GA would prohibit a planning commission from waiving or amending an agreed-upon binding element without the approval of the legislative body of the local government exercising planning authority.

**The fiscal impact of HB 18/GA on local governments is indeterminable.**

According to the Kentucky Association of Counties (KACo), some counties would be required to adjust their zoning regulations in response to the proposed changes in Sections 1 and 2. While the exact number of affected counties is unknown, KACo estimates that the resulting costs would be minimal.

The Kentucky League of Cities (KLC) believes Sections 1 and 2 of HB 18/GA would have no fiscal impact on Kentucky cities. KLC noted that the legislation would require residents in areas zoned for single-family homes who desire to lease accessory dwelling

units on property zoned for single family homes to first request a map amendment pursuant to planning and zoning procedures in KRS Chapter 100.

Sections 3 and 4 modify requirements for economic development programs, exempting certain residential-heavy projects from economic impact reporting and certification. This could reduce administrative burdens and costs for local governments by eliminating some compliance requirements.

Section 5 narrows protections for property owners against emergency response fees, allowing emergency responders to seek reimbursement from landlords in certain circumstances. This could lead to increased revenue for local emergency services by shifting costs to landlords when emergencies result from property maintenance failures. However, it may also create administrative challenges in tracking responsibility and collecting fees.

Section 6 modifies the funding structure for urban service tax districts in consolidated local governments by exempting the central business district from certain tax obligations. This could result in a reduction in tax revenue available for urban service districts.

Section 7's restriction on the ability to waive or amend binding zoning elements without legislative approval could increase the administrative burden on local governments and slow down the development approval process.

**Data Source(s):** LRC Staff; Kentucky Association of Counties; Kentucky League of Cities

**Preparer:** AS **Reviewer:** HT (MDA) **Date:** 3/13/25