

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
2026 Regular Session**

**Part I: Measure Information**

<b>Bill Request #:</b>	1688	<b>Bill #:</b>	HB 530
<b>Document ID #:</b>	4379	<b>Sponsor:</b>	Rep. Richard White
<b>Bill Title:</b>	AN ACT relating to permits.		

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

Office(s) Impacted:    Local Governments that conduct plan review and building inspections.

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 530 requires a permitting authority, which can be a local government, to issue a decision on any permit application within 60 days. The bill automatically grants any permit if a permitting authority fails to render a decision within 60 days. Section 1 requires that any denial or conditional approval of a permit to be based on clearly established applicable laws or regulations. The bill grants the Circuit Court jurisdiction over any permitting matter. If the Circuit Court finds against the permitting authority, the court is required to award the applicant attorney's fees and costs if the court to be paid by the permitting authority.

Section 4 of HB 530 adds a new section to KRS Chapter 198B which creates a third-party inspection system for residential buildings with ten or fewer units. Applicants for permits may hire qualified third-party inspectors, such as licensed architects, engineers, or certified inspectors, if regulatory authorities cannot meet mandated timelines. These timelines include fourteen business days for plan reviews and five business days for inspections. If deadlines are missed, applicants may use third-party inspectors at their own expense, and regulatory authorities must refund fees, minus up to a \$100

administrative fee. If authorities fail after committing to deadlines, they must issue a temporary permit and refund fees. Third-party inspectors must be independent, maintain liability insurance of at least \$1 million per claim and \$2 million aggregate, and submit an affidavit and inspection report within five days. Regulatory authorities must issue permits within one business day after inspection completion, and any conflicting local ordinances are void.

New provisions include the creation of the third-party inspection system, mandated timelines for reviews and inspections, permit issuance within one business day after inspection, and the voiding of conflicting ordinances. Removed language includes the term “residences,” which was replaced with “single-family, two (2), three (3), and four (4) family dwellings,” and the removal of mandatory inspections for these dwellings unless required by local ordinance.

**The fiscal impact of HB 530 on local government is indeterminable, but is likely to be minimal.**

For Sections 1 to 2 of HB 530:

There may be costs associated with the requirement for a local government (if they are the permitting authority) to make a decision on a permit within 60 days. The local government also may incur costs if the Circuit Court finds against them as the permitting authority. They would then be responsible for the applicant's attorney fees and costs.

For Sections 3 to 5 of HB 530:

Applicants who opt for third-party inspectors instead of local government services could reduce local governments' revenue from plan review and inspection fees. If a local government fails to meet the mandated timelines, it must refund all associated fees. This shift toward third-party inspections may also decrease the overall volume of inspections and plan reviews handled by local governments, which could lessen the demand for building inspection staff.

**Data Source(s):** LRC Staff

**Preparer:** BW **Reviewer:** JB (MDA) **Date:** 2/18/26