

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

Part I: Measure Information

Bill Request #:	BR 995	Bill #:	HB 69
Document ID #:	1411	Sponsor:	Representative John Hodgson
Bill Title:	AN ACT relating to housing and declaring an emergency.		

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

Office(s) Impacted: Housing and Development

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

HB 69 would create a new section of KRS 198A and would include the following definitions:

1. “Affordable housing” - housing eligible for state or federal funds to support its construction, repair, or rehabilitation because of its affordability; and
2. “Affordable housing funds” - state or federal funds that directly finance construction, repair, rehabilitation of affordable housing or housing rental by eligible low-income persons.
3. “Agency” would mean any governmental agency including a state agency, local government, quasi-governmental entity, and, specifically, the Kentucky Housing Corporation.

HB 69 would require, despite any law, grant condition or other appropriation to the contrary, that any agency that spends affordable housing funds apply no more than 10% of those funds to multifamily housing, and apply at least 90% of the funds to single-family detached housing.

The restriction would not apply to agency funds other than affordable housing funds. It would not apply to funds to defray agency administrative costs or for educational or other programs.

Section 2 of HB 69 would declare an emergency and render the Act effective upon its passage and approval by the Governor or its otherwise becoming law.

HB 69 would have an undeterminable negative fiscal impact on local governments and local government agencies that receive state or federal funds for affordable housing. The bill would negatively impact the ability of local governments and quasi-governmental agencies to respond to a local community's housing affordability issues, and would severely limit local affordable housing inventory.

Prohibiting less dense land use by requiring 90% single-family housing could result in increased local government spending to expand city services such as sanitation and sewer, and could require additional street and road building.

The legislation would greatly restrict the types of projects eligible for affordable housing funds, which could result in state and federal funding going unused. In addition, the bill would limit the use of Section 8 housing vouchers, likely leading to a higher percentage of unused vouchers and a corresponding reduction in future funding.

Input for this mandate analysis was sought from the Kentucky League of Cities (KLC). If KLC responds this analysis may be amended.

Data Source(s): Kentucky Association of Counties; City of Bowling Green, Neighborhood & Community Services; LRC staff

Preparer: MS **Reviewer:** TJ (MDA) **Date:** 2/2/26