

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

Part I: Measure Information

Bill Request #:	2202	Bill #:	SB 224/SCS 1
Document ID #:	8244	Sponsor:	Sen. Robby Mills
Bill Title:	AN ACT relating to land use.		

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

Office(s) Impacted: Any with a planning unit that enforces development standards

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 SB 224/SCS 1 would create a new section of KRS Chapter 65 to establish that an applicant for a building permit, development plan, or subdivision plat obtains a vested property right in the property subject to the application on the date the applicant files an application that substantially complies with local requirements. The vested right would allow the applicant to use the development standards in effect on the date of application, subject to limited exceptions, and would continue for specified vesting periods unless terminated under the section. “Development standards” would include standards adopted by a planning unit or local government relating to planning and zoning, stormwater, construction or building requirements, streets, alleys, curbs, sidewalks, layout or design, and lot size or dimension, but would exclude standards required by federal or state law.

The bill would clarify that the development standards in effect would be determined by the date the application is submitted, and that the authority could not deny an application

due to a change in development standards that occurs after submission but before the authority decides whether to approve or deny the application.

If the vested right arises from a building permit, the right would begin on the date of application and remain in effect for the duration of the permit, including approved renewals, but would terminate if the applicant fails to pursue site preparation or construction with reasonable diligence. If the vested right arises from approval of a preliminary development plan, the initial vesting period would be three years following approval. To maintain the right, the applicant would be required to obtain approval of a final development plan if required, secure all necessary permits, and pursue site preparation or construction with reasonable diligence. If these requirements are met, the vesting period would extend an additional two years, during which construction must begin, and would continue during construction until final completion is certified, subject to a maximum of ten years from initial approval. For phased developments, separate vesting periods would apply to each phase, but the total vesting period would not exceed fifteen years from initial approval.

A relevant authority, defined as a local governmental entity that enforces development standards and has a planning unit, could grant extensions of vesting periods but could not require an applicant to waive vested rights as a condition of approval. The section would authorize a relevant authority to terminate vested rights during the vesting period upon written notice if the applicant materially violates an approved plan or local ordinance, if state or federal law precludes the approved development, or if the applicant intentionally supplies inaccurate or misleading information. The applicant would be given ninety days to cure the violation. A relevant authority could allow the right to remain vested upon a written determination that doing so is in the community's best interest.

The section would allow enforcement of new or contrary development standards despite a vested right if the applicant consents, if a compelling public health, safety, or welfare interest exists that cannot be reasonably mitigated, if a newly discovered natural or man-made hazard poses a serious threat that cannot be reasonably mitigated, or if a new standard is required by state or federal law. Certain findings would be required to be made in writing.

The section would clarify that a vested property right does not alter eminent domain powers under the Eminent Domain Act of Kentucky. It would also provide that the section does not impair a planning unit's general planning and zoning authority, but that a vested right would preclude planning and zoning actions that would alter, impair, diminish, or delay development in accordance with the approved application. If a moratorium on development or construction is enacted, the vesting period would be tolled during the moratorium.

The section would require an applicant seeking to amend an approved development plan to obtain approval from the relevant authority and would authorize denial of amendments that substantially alter the proposed use, expand the development, increase density with substantial impacts, alter the size of nonresidential structures, or substantially increase

public expense. If an amendment is denied, the applicant could proceed under the previously approved plan and retain the vested right or allow the vested right to terminate and apply for new approval.

Section 2 of SB 224/SCS 1 would amend KRS 100.347 to limit standing to challenge a final action of a planning and zoning authority to the applicant who initiated the proceeding; the owner of the property that is the subject of the final action; or a third party who owns real property within the same zone as the subject property, would sustain actual damages that are personal and distinct from those suffered by the public generally, and participated in the approval process before the final action by submitting a written statement or speaking at a public hearing. Other persons or entities would not have standing to challenge a final action under the section.

Section 2 of SB 224/SCS 1 would amend KRS 100.347 to limit standing to challenge a final action of a planning and zoning authority to: the applicant who initiated the proceeding; the owner of the property that is the subject of the final action; or a third party who owns real property within the same zone as the subject property, would sustain actual damages that are personal and distinct from those suffered by the public generally, and participated in the approval process prior to the final action by submitting a written statement or speaking at a public hearing. Other persons or entities would not have standing to challenge a final action under the section.

The fiscal impact of SB 224/SCS 1 is indeterminable.

Local governments and planning units would have additional administrative expenses related to determining whether applications substantially comply with local requirements, tracking vesting periods from the date the application was submitted, administering multi-year vesting periods and potential extensions, issuing written notices and findings in certain situations, and processing and documenting approvals, denials, and terminations. The magnitude of these expenses would vary by jurisdiction and would likely be greater in jurisdictions experiencing higher levels of development activity.

Developers could more frequently challenge local government actions related to vesting determinations, which could result in additional legal costs for local governments.

At the same time, Section 2's limitation on standing to challenge final planning and zoning actions could reduce the number of appeals or lawsuits that local governments must defend, which could partially offset administrative and legal costs in jurisdictions where land use decisions are frequently litigated.

SB 224/SCS 1 would limit local governments' ability to apply newly adopted development standards to projects with vested rights. Locking developments into earlier standards could have fiscal effects depending on the nature of those standards. In some cases, new standards may increase local government costs, and the bill could reduce those costs by allowing projects to proceed under earlier standards. In other cases, new standards may reduce local government costs, and locking in earlier standards could limit

those savings. The direction and magnitude of these impacts would depend on the specific standards involved, how often standards change, the pace of development within a jurisdiction, and whether developments qualify for and maintain vested rights. While the bill allows enforcement of certain new standards under limited circumstances, the fiscal effect of these provisions is also indeterminable.

The requirement that the relevant authority review and approve amendments to approved development plans could also result in fiscal impacts. Developers may submit amendment requests that require administrative review and evaluation, which could increase workload for local governments. At the same time, the authority may deny amendments that would substantially increase public expense, which could prevent additional costs to the local government. The overall fiscal impact of this provision is indeterminable because it depends on the number of amendment requests submitted, how often the proposed amendments would increase public expenses, the magnitude of those potential costs, and whether the relevant authority elects to deny those amendments under the permissive language of the section.

Data Source(s): LRC Staff

Preparer: AS **Reviewer:** JB (MDA) **Date:** 3/13/26