

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

**Part I: Measure Information**

<b>Bill Request #:</b>	1157	<b>Bill #:</b>	SB 52/SCS 1
<b>Document ID #:</b>	5497	<b>Sponsor:</b>	Sen. Steve Rawlings
<b>Bill Title:</b>	AN ACT relating to ensuring fair permitting and licensing practices.		

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

Office(s) Impacted:    Any which issue liscences or permits; county attorneys

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 2 of SB 52/SCS 1 would create a new section of KRS Chapter 61 to require a public agency to state in clear and unambiguous language the criteria for approval of a license or permit and require a public agency to approve or deny a license or permit application within sixty days unless a different specific timeframe is prescribed by law, administrative regulation, rule, or ordinance.

Section 2 would provide that if the applicable law, regulation, rule, or ordinance is silent or ambiguous on a decision timeline, the public agency must act within sixty days, and if the public agency fails to approve or deny the application within the required timeframe, the application is deemed approved unless the application is incomplete and the applicant fails to correct deficiencies after notice, or a state agency issues a written justification for an extension of time within the sixty days that specifies the additional time necessary for making a determination on an application for a license or permit. Any such extension must not exceed an additional thirty days and must be based upon a substantial and demonstrable interest in protecting public health, safety, or welfare, including but not limited to permits or licenses involving building safety, fire protection, utilization of public infrastructure, utility capacity, or coordination with other state agencies.

Section 2 would further provide that whether statutory or regulatory language is clear and unambiguous is a judicial question decided without deference to the public agency and would exclude licenses or permits whose criteria are established by federal law.

Section 3 of SB 52/SCS 1 would create a new section of KRS Chapter 61 to allow an applicant denied a license or permit to request an administrative hearing conducted by the public agency, to be held under KRS Chapter 13B or the agency's applicable hearing provisions. Section 3 would shift the burden of persuasion to the public agency in hearings related to denial of a license or permit, or denial of modification of a license or permit application. Section 3 would also authorize a hearing officer to permit depositions for use as evidence when a witness cannot be subpoenaed or is unable to attend the hearing.

Section 4 of SB 52/SCS 1 would create a new section of KRS Chapter 61 to entitle parties to a public agency hearing involving the denial of a license or permit to a speedy and public judicial review of a final order under KRS 13B.140 or other applicable judicial review provisions. Section 4 would require a court, upon request of an applicant, to issue an order within thirty days of transmission of the original or certified copy of the record under review. The order would schedule a preliminary conference to address scheduling matters, including but not limited to future hearings, status conferences, or other issues pertaining to the application for a license or permit that may need to be addressed.

**The fiscal impact of SB 52/SCS 1 on local governments is indeterminable, but is likely to be moderate to significant.**

SB 52/SCS 1 could impose administrative, legal, and procedural requirements on cities, counties, urban county governments, and consolidated local governments when they act as public agencies issuing licenses or permits.

Local governments would be required to review and, where necessary, amend ordinances, regulations, and internal procedures to ensure that license and permit approval criteria are stated in clear and unambiguous language and that no permits are denied for reasons not specified by law. A local government may need to amend its ordinances to comply with these requirements. If so, local governments would incur costs associated with the drafting, publication, indexing, and recording of adopted ordinances. According to the Kentucky League of Cities (KLC), most cities, particularly smaller ones, retain their city attorney on contract and pay on an hourly basis, and time spent drafting an ordinance is influenced by its complexity and the amount of research necessary. In 2024, the estimated average hourly rate paid by cities to a retained attorney was approximately \$117 to \$128. Rates for posting legal notices in newspapers vary greatly depending on the length of the publication, the number of times it must be published, and the newspaper in which it is placed, and therefore these costs are unknown. KLC noted that the negative fiscal impact of this bill may be most significant on the Commonwealth's smaller cities which have limited staff, resources, and may not employ a city attorney.

Local governments that issue licenses or permits would be required to approve or deny applications within sixty days unless a different specific timeline is established by ordinance or other governing law, and failure to act within the required timeframe would result in applications being deemed approved, which could require changes to workflows, tracking systems, and staffing practices to ensure timely action.

Because SB 52/SCS 1 would shift the burden of persuasion to the public agency in administrative hearings involving license or permit denials and modifications, local governments could experience increased legal preparation costs and staff time associated with defending agency actions. The authorization of depositions in administrative hearings and the expanded scope of judicial review could further increase legal costs and require additional involvement by county attorneys, city attorneys, or outside counsel. KLC noted that these increased legal costs could contribute to higher staffing expenses.

While the preliminary conference requirement would primarily affect the courts, local governments may incur additional legal costs associated with participation in these proceedings, including preparation for conferences, coordination with counsel, and potential follow up litigation activity.

Overall, the fiscal impact on local governments would likely vary by jurisdiction depending on the volume and complexity of licenses and permits issued, existing timelines and procedures, and the frequency of administrative appeals and judicial review. There is potential for higher costs in jurisdictions with substantial permitting activity.

**Data Source(s):** KLC; KACO; LRC staff

**Preparer:** AS **Reviewer:** JR (MDA) **Date:** 2/17/26