

NAHB | Kentucky House Bill No. 204 AN ACT relating to Duplexes | Bill Analysis

House Bill No. 204 (Kentucky) would allow the building of duplexes in the Commonwealth of Kentucky on single-family lots. Under this piece of legislation, planning units will allow permitting duplexes on a single-family lot and prohibit imposing fees for duplex development beyond those required for single-family homes.

BACKGROUND

Today, there is a lack of more than 206,000 housing units in Kentucky, including 101,569 rental units and 104,638 for-sale units. Allowing more duplexes to be built can help alleviate housing stock issues and provide opportunities for people living in the commonwealth.

Historically, duplexes have often been more attainable for buyers than single-family homes, and rising costs of single-family homes today have again pushed their popularity as a way to enter the market. However, overly stringent local zoning laws have diminished their role in the housing market.

Duplex construction is part of the missing middle housing and an opportunity for young families and working families to access attainable housing.

H.B. 204 would work to close the gap for housing access in Kentucky and provide additional options to buyers. On average, in 2024, 13.7% of the final sale price of new homes was finished lot costs, but duplexes having smaller lots reduce costs to make them more affordable for buyers.

THIS BILL

SECTION 1. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO

READ AS FOLLOWS:

- (1) As used in this section, "duplex" means a residential structure divided into two*
- (2) separate dwelling units, each with its own entrance.*
- (2) Duplexes shall be considered a permitted use in all residential zones and shall not be subject to permitting or review under to this chapter beyond that required for*

single-family homes.

(3) A planning unit shall not adopt or enforce any regulation or ordinance that:

(a) Prohibits duplexes in residential zones;

(b) Imposes requirements on duplexes that are more restrictive than those placed on single-family homes; or

(c) Assesses any fees in addition to those required for single-family homes.

(4) This section shall not be construed to prohibit a planning unit from adopting or enforcing ordinances or regulations generally applicable to all dwelling units.

ARGUMENTS of SUPPORT

H.B. 204 is a piece of legislation that can help increase the supply of missing middle housing in Kentucky to meet today's housing demand. To eliminate the housing stock shortage, Kentucky needs to address both the rental and purchase markets. Making it easier to build missing middle housing types, such as duplexes, will help provide affordable opportunities for both purchase and rental choices.

Further, building missing middle housing, such as duplexes, not only helps young families enter the housing market but gives housing options for home owners who are looking to downsize and want more affordable options. Today, more than half of the Baby Boomers who own a home have paid off their mortgage, leading to the "Locked-in Effect" where they don't want to move or downsize.

Building different types of attainable housing alleviates costs and provide additional options to consumers.

ARGUMENTS of OPPOSITION

H.B. 204 would amend KRS Chapter 100 to prohibit cities and counties from excluding duplexes in residential zones or imposing additional design standards, fees or reviews beyond those applied to single family homes. This represents a major state override of local planning authority, transferring decisions traditionally made by elected city councils and planning commissions to the state legislature.

This piece of legislation would apply equally to dense urban neighborhoods, small towns, suburban subdivisions and rural areas, regardless of differences in street width, sewer and water



capacity, floodplain issues, or development patterns. This would be appropriate in older urban neighborhoods but may not be suitable in newer subdivisions designed exclusively for single family development.

Further, this bill would prohibit planning units from applying different dimensional or design standards to duplexes than those required for single family homes. This prevents cities from addressing concerns such as building massing, entrances, setbacks, parking layout or neighborhood fit tools commonly used to ensure new development blends with surrounding homes

Lastly, because duplexes would be permitted “by right” in residential zones, local governments could not require conditional-use permits, rezoning hearings or neighborhood review. This piece of legislation eliminates opportunities for residents to raise site specific concerns about traffic, drainage, parking or compatibility concerns that are typically addressed through public hearings at the local level

SIMILAR LEGISLATION

- Oregon – HB 2001 (2019)-Enacted
- California – SB 9 (2021)- Enacted
- Washington – HB 1110 (2023)-Enacted

COURT CASES

City of Redondo Beach et al. v. Rob Bonta (Cal. Super. Ct. 2024)

City of Rancho Palos Verdes v. State of California (Cal. Ct. App. 2025)

Euclid v. Ambler Realty Co. (U.S. Supreme Court, 1926)

POTENTIAL SUPPORT

Kentucky Affordable Housing Coalition (KAHC); Housing Development Alliance / Homes Inc.; AARP Kentucky

POTENTIAL OPPOSITION

Kentucky League of Cities (KLC); Kentucky Association of Counties (KACo); Homeowners Associations (HOAs)