

Kentucky Legislative Update

2026 Session · Key Bills & Impeachment Overview

Hon. Lindsey Burke
Kentucky General Assembly | 2026 Session

Medicaid & Healthcare

HB 2 – Medicaid Restructuring: Overview

HB 2

- Significantly restructures Kentucky's Medicaid program (KRS 205)
 - Goes further than federal requirements found in H.R. 1
- Imposes work/community engagement requirements (80 hrs/month) for ages 19–65
- Tightens eligibility verification and increases oversight of managed care organizations (MCOs)
- Will increase administrative costs, strain caseworker capacity, and reduce access to services
- Expected to lead to avoidable coverage losses, especially for expansion population
 - Not a side effect—a stated goal

HB 2 – Copays & Eligibility Verification

HB 2

Cost Sharing & Copays

- H.R. 1 requires copays for expansion adults at $\geq 100\%$ FPL, capped at 5% of quarterly income
- HB 2 starts copays Jan 2027 (fed law: Oct 2028): \$4–\$8 Rx, \$8 glasses, \$8 non-emergency ER, \$35 inpatient
- Oct 2028: raises to \$20 for non-emergency ER, vision, specialty care (cancer, dialysis, cardiology)

Eligibility & Redeterminations

- Eligibility reviews every 6 months beginning Jan 1, 2027 (currently done annually)
- Any single data source suggesting ineligibility triggers redetermination — individual can lose coverage before appeal
- When mail is returned undeliverable, MCOs have 30 days to provide KY address or coverage is lost
- People experiencing homelessness especially vulnerable
- Fed rules require good-faith multi-modality contact before disenrollment

HB 500 – Budget: Medicaid Impacts

HB 500

- \$691 million below full Medicaid funding in the budget, according to the Budget Director
- \$290 million placed in Budget Reserve Trust Fund (BRTF) for potential release to Medicaid next year
- DCBS faces base reduction of over \$100 million over the biennium
- SNAP: funds cover federal admin cost requirements but not potential new benefit costs from H.R. 1
- Senior meals program: \$22 million cut vs. governor's budget

Probate, Estate & Trust Law

SB 50 – Comprehensive Probate & Estate Reform

SB 50

- Fully revises intestate succession (KRS 391.010 et seq.)
 - Revises surviving spouse's share in real and personal property for intestate estates
- Updates county clerk record-holding period for recorded wills
- Establishes new requirements for fiduciary appointments, confidentiality, bond waivers, and inventory filing
- Allows written declaration under penalty of perjury in lieu of sworn oath (where court accepts)
- Increases penalty for fiduciaries failing to file inventory/account from \$10 to \$100
- Adult adoptees — clarifies no intestate inheritance if adoption occurred after age 18, and there was no cohabitation before age 18

SB 50 – Electronic Wills & Estate Planning Acts

SB 50

Uniform Electronic Wills Act (KRS 394)

- Modernizes wills law — electronic wills valid if executed in compliance with the act
- Encourages will completion by eliminating need for in-person signing
- Won't require future amendments for new tech
- Solves interstate recognition conflicts for electronically executed wills, at least among other states that have adopted this

Uniform Electronic Estate Planning Documents Act

- Extends electronic document rules to non-testamentary estate planning docs (trusts, POAs)
- Increases access for homebound individuals and frequent travelers
- Complements the Uniform Electronic Wills Act as combined statute

SB 50 – Asset Protection, Directed Trusts & Decanting

SB 50

- **Kentucky Qualified Dispositions in Trust Act (DAPT):** protects assets in qualified trusts from attachment
- **Uniform Directed Trust Act:** framework for dividing fiduciary duties between trust directors and trustees; balances settlor autonomy with beneficiary protections
- **Uniform Trust Decanting Act:** governs trustee's ability to move assets from one trust to another; requires 60-day notice to beneficiaries; protects charitable interests and vested rights
- *Transfer-on-Death automobile title provisions* (effective 2028)
- Includes special needs trust designation for state-administered retirement benefits (SB 85 cross-reference)

- *NB:* There are additional CLEs available on SB50. If you practice in this area, please sign up.

Courts, Criminal Justice & Family Law

SB 122 – Family Preservation, Custody+DV & Involuntary Commitment

SB 122

- Combines three bills: Family Preservation Act + HB 418 + HB 485 (involuntary commitment)
- **Family Preservation (KRS 533)** : sentencing courts must consider whether defendant is a caretaker
- **HB 418** Amends KRS 403 as follows:
 - domestic violence must be considered first among custody factors;
 - 2 or more DV findings = creates rebuttable presumption against joint custody;
 - Adds a “malicious accusation” factor to the Best Interest Factors in KRS 403.315
 - mandates training for paid visitation supervisors
- **HB 485**: redefines 'danger,' 'mental illness,' and 'serious mental illness'; allows county attorney to seek review of certification; prohibits hospitalization solely for failure to comply with court orders
- Expands KRS 202A **Tim's Law** — any responsible adult may petition for assisted outpatient treatment
- **202C proceedings**: evidentiary/commitment hearing extends from 20 to 45 days; subsequent reviews every 2 years
- Effective October 1, 2026

HB 521 – Stalking & Criminal Trespass Reform

HB 521

- New definitions and penalties for stalking (KRS 508)
 - Social media and digital harassment now included
 - Raises stalking levels: A misdemeanor → D felony; D felony → C felony
 - Stalking no longer requires a threat or intent to cause fear — D felony covers harassment causing alarm/annoyance
- Expanded definition for Criminal trespass 2nd degree (KRS 511): entering a workplace while engaging in threatening behavior
 - Second/subsequent trespass 2nd within 3 years = Class A misdemeanor; trespass 3rd = Class B misdemeanor

Child Welfare & Juvenile Justice

HB 669 – Federal Benefits for Children in State Care

HB 669

- Cabinet must determine child's eligibility for federal benefits within 60 days of entry into care
- Cabinet prohibited from using child's federal benefits to reimburse itself or the Commonwealth for care costs
 - Death benefits were being used to supplement foster care expenses, no replacement for this funding in the biennial budget
- Benefits must be conserved in approved accounts: special needs trusts, ABLE accounts, or pooled trusts
- Annual accountings required for child, attorney, and parents/guardians
- Financial literacy program and milestone-based access to conserved benefits must be implemented
- Upon termination of custody, remaining funds released to child (if 18/emancipated) or responsible guardian

HB 778 – Comprehensive Child Welfare & Safety Reform

HB 778

- Amends KRS 199 to disallow a prospective placement or caregiver to be a sex offender
- Amends KRS 600: New requirements for notification, assessment, and Plan of Safe Care for substance-exposed infants; identification alone ≠ abuse/neglect
- Amends criminal abuse statutes to include neglect and ingestion/inhalation of controlled substances; raises applicable age from under 12 to under 13; defines criminal neglect as a Violent Offender
- Mandatory law enforcement policies and training for pediatric ingestion/inhalation cases; caregivers must be tested
- Amends KRS 218 and 311: Require child safety-related continuing ed for child care staff, nurses, social workers, PAs, EMTs, and urgent care settings
- Amends KRS 610: Expanded school notification requirements for juvenile adjudications, DV orders, and public offense complaints
- Mandates annual data collection on:
 - (1) foster care duration before TPR petitions and
 - (2) duration of TPR proceedings

SB 170 – Status Offenses & Truancy Pilot Program

SB 170

- Creates a new section of KRS 610 to create 'Supporting Opportunities for Accountability and Restoration' (SOAR) pilot program for truant children in ≥ 10 school districts
- Under 14: prohibits secure detention for status offenses
- 14 or older: secure detention limited to max 7 days unless judge finds longer detention necessary in writing
- Allows 8 additional unexcused absences after a family diversion agreement is developed (up from 4)
- Requires family involvement in diversion; unsuccessful diversion due to caregiver issues → referral to DCBS
- Repeals FAIR teams; requires KDE to report annually on attendance following complaint filings
- Provides uniform definition of 'habitual truant' across KRS Chapter 159 and juvenile code

Education & School Funding

HB 1 – School Voucher / Scholarship Tax Credit

HB 1

- Opts Kentucky into the Federal Tax Credit Scholarship Program, giving GA the power to choose
- Requires Secretary of State to identify & notify Feds of scholarship granting organizations annually
- Waives 11th Amendment immunity
- Eligible students: households up to 300% of Area Median Income — a family of 4 earning ~\$300K could qualify in some counties
- States with similar programs find it's often students already in private schools who benefit most
- In 2024, Kentucky voters defeated Amendment 2 — it failed in ALL 120 counties
- The state Supreme Court struck down HB 9 (2022 charter school funding) the same day House Republicans filed HB 1
- Represents another step in a multi-year effort against Kentucky's public schools

HB 500 – Executive Branch Budget: Education Impacts

HB 500

- Broad agency cuts: \$275 million over the biennium (4% FY27; 3% FY28)
- State education funding down 25% since 2008 (adjusted for inflation)
- Underfunds school transportation by \$93 million — districts must absorb cuts locally
- No provision for teacher and staff pay raises — complicates recruitment & retention
- Student Voice litigation costs not addressed
- Loss of COVID relief funds with no replacement funding identified

Additional Legislation

SB 17, SB 27, SB 85, SB 90 – Various Senate Bills

SB 17 – CASA & Child Fatality Panels

- Updates 'Kentucky CASA Association' to 'Kentucky CASA Network'
- Reduces local CASA board minimum members from 15 to 12
- Mandates compliance with KY CASA Network Standards; 1 supervisor per 30 volunteers
- Clarifies External Child Fatality Panel confidentiality and open records procedures

SB 27 / SB 85 / SB 90

- SB 27: 30-day notice required before disposition of unclaimed bodies; burial or cremation at public expense
- SB 85: Adds 'special needs trust' as permissible beneficiary for state retirement systems (KSP, employees, county, judicial, teachers); benefits not subject to Medicaid payback
- SB 90: Expands Behavioral Health Conditional Dismissal pilot (10→20 counties); extends to Jan 1, 2031; extends \$10.5M/yr opioid abatement funding

HB 338, HB 526, HB 558, HB 562 – House Bills

HB 338 – Eviction Expungement (passed House)

- Allows expungement when eviction case is dismissed or tenant wins
- Courts must remove records within 45 days
- Creates process where minors' names can be removed from Court record (unless they are the actual leaseholder)
- NB: does not allow expungement where tenant was actually evicted
- Not given a hearing in Senate

HB 562

- HB 562: Replaces 'alternative' with 'alternate' diploma for students with disabilities; creates 'modified' diploma; allows Work Ready KY & KEES scholarships for modified diploma holders

SB 101 – School Discipline

SB 101 | HB 598

- SB 101: Adds intent-based injury to school employees as reportable; expands mandatory expulsion to grades 6–12 for intentional injury to school employees
- SB 101: First-time expelled students may return after 26 weeks if they meet community service, GPA, and behavior requirements
- SB 101: Districts must enter expulsions in student information system within 5 days



Attacks on the Judiciary: Budget, Bills, Impeachments

HB 504– Judicial Branch Budget

HB 504 – Judicial Branch Budget

- Judicial branch cut by approximately 7%
- Chief Justice letter warned of significant layoffs; 170 pink slips, to date
- Specialty courts at risk: drug, mental health, veterans' treatment courts
- Operations shortfall: \$12.6M in FY27 and \$17M in FY28

Legislative Intrusions on the Judiciary

FAILED BILLS

- HB 526 (did not pass Senate): Would ban mandatory bar dues unless attorney consents annually; KBA opposed
- HB 558 (did not pass House): Would move IPO jurisdiction from family courts to district courts
- HB 569 (did not pass Senate): Would allow third-parties to petition Attorney General to force a judge to recuse from a case based on the third-party's perception of judicial bias
- HB 598 (did not pass House): Would create Department of Family Representation and Advocacy, modeled after DPA, to handle appointed counsel (GALs) for family law, probate law, etc.
 - HB 598: Would cap GAL/appointed counsel fees at \$500; DPA expressed concerns about competing hiring pools

Impeachment of Judge Goodman – Background & Timeline

IMPEACHMENT

- Impeachments exceedingly rare in KY — the 1991 Agriculture Sec. impeachment was the first in ~80 years
- Majority of post-2020 impeachments happened this session; this year, 4 petitions filed against sitting judges — none alleging criminal conduct; 3 against Fayette County judges (Goodwine, Goodman, Ewing)
- Only one case (Goodman) resulted in articles of impeachment voted on by the House
- Petition filed Jan 28 by Killian Timoney (former legislator, not a Fayette County resident, not a party to any case) — petition lacked required verification and affidavits
- Complaint alleges misconduct in 6 specific cases; 5 are ongoing; 2 have been granted SC review
- March 16: 3+ hours of public hearing; March 18: committee voted to impeach; March 20: full House voted to impeach

Impeachment of Judge Goodman – Court Rulings & Aftermath

IMPEACHMENT

- March 31: Franklin Circuit Court granted summary judgment — declared impeachment null and void; held judicial conduct claims belong to the JCC, not impeachment
- April 6: KY Supreme Court (Goodwine recusing) declared articles of impeachment void; enjoined further impeachment proceedings against Judge Goodman
- April 15: Senate Impeachment Committee chair described the April 6 ruling as 'preliminary,' tabled the matter, and reserved the right to revisit in the next session
- SR 305 & HR 141 adopted — censuring Justice Thompson for his concurring opinion
- HR 140 adopted — House purported to declare the Supreme Court ruling void and unconstitutional (a simple resolution has no force of law)
- House moved open impeachment petitions from Impeachment Committee to Legislative Oversight and Investigations Committee

Questions?

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