

AN ACT relating to persons with disabilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 205.200 is amended to read as follows:

- (1) A needy aged person, a needy blind person, a needy child, a needy permanently and totally disabled person, or a person with whom a needy child lives shall be eligible to receive a public assistance grant only if he has made a proper application or an application has been made on his behalf in the manner and form prescribed by administrative regulation. No individual shall be eligible to receive public assistance under more than one (1) category of public assistance for the same period of time.
- (2) The secretary shall, by administrative regulations, prescribe the conditions of eligibility for public assistance in conformity with the public assistance titles of the Social Security Act, its amendments, and other federal acts and regulations. The secretary shall also promulgate administrative regulations to allow for between a forty percent (40%) and a forty-five percent (45%) ratable reduction in the method of calculating eligibility and benefits for public assistance under Title IV-A of the Federal Social Security Act. In no instance shall grants to families with no income be less than the appropriate grant maximum used for public assistance under Title IV-A of the Federal Social Security Act. As used in this section, "ratable reduction" means the percentage reduction applied to the deficit between the family's countable income and the standard of need for the appropriate family size.
- (3) The secretary may by administrative regulation prescribe as a condition of eligibility that a needy child regularly attend school, and may further by administrative regulation prescribe the degree of relationship of the person or persons in whose home such needy child must reside.
- (4) The secretary may by administrative regulation prescribe conditions for bringing paternity proceedings or actions for support in cases of out of wedlock birth or

nonsupport by a parent in the public assistance under Title IV-A of the Federal Social Security Act program.

- (5) Public assistance shall not be payable to or in behalf of any individual who has taken any legal action in his own behalf or in the behalf of others with the intent and purpose of creating eligibility for the assistance.
- (6) The cabinet shall promptly notify the appropriate law enforcement officials of the furnishing of public assistance under Title IV-A of the Federal Social Security Act in respect to a child who has been deserted or abandoned by a parent.
- (7) No person shall be eligible for public assistance payments if, after having been determined to be potentially responsible, and afforded notice and opportunity for hearing, he refuses without good cause:
 - (a) To register for employment with the state employment service,
 - (b) To accept suitable training, or
 - (c) To accept suitable employment.

The secretary may prescribe by administrative regulation, subject to the provisions of KRS Chapter 13A, standards of suitability for training and employment.

- (8) To the extent permitted by federal law, scholarships, grants, or other types of financial assistance for education shall not be considered as income for the purpose of determining eligibility for public assistance.
- (9) To the extent permitted by federal law, any money received because of a settlement or judgment in a lawsuit brought against a manufacturer or distributor of "Agent Orange" for damages resulting from exposure to "Agent Orange" by a member or veteran of the Armed Forces of the United States or any dependent of such person who served in Vietnam shall not be considered as income for the purpose of determining eligibility or continuing eligibility for public assistance and shall not be subject to a lien or be available for repayment to the Commonwealth for public assistance received by the recipient.

(10) (a) Notwithstanding any other provision of Kentucky law, the following shall be disregarded for the purposes of determining an individual's eligibility for a means-tested public assistance program, and the amount of assistance or benefits the individual is eligible to receive under the program:

1. Any amount in an ABLE account;
2. Any contributions to an ABLE account; and
3. Any distribution from an ABLE account for qualified disability expenses.

(b) For purposes of this subsection:

1. "ABLE account" means an account established within any state having a qualified ABLE program as provided in 26 U.S.C. sec. 529A, as amended;
2. "Kentucky law" includes:
 - a. All provisions of the Kentucky Revised Statutes;
 - b. Any contract to provide Medicaid managed care established pursuant to this chapter;
 - c. Any agreement to operate a Medicaid program established pursuant to this chapter; and
 - d. Any administrative regulation promulgated pursuant to this chapter; and
3. "Qualified disability expenses" means expenses described in 26 U.S.C. sec. 529A of a person who is the beneficiary of an ABLE account.

➔Section 2. The State Treasurer, the Secretary of the Finance and Administration Cabinet, the Executive Director of the Commonwealth Council on Developmental Disabilities, and the Executive Director of the Kentucky Higher Education Assistance Authority shall each work cooperatively with one another, and with federal and state government agencies, private industry groups, and other interested parties, as necessary,

and shall seek all available sources of funding from these and other groups and determine the best plan of action related to ABLE accounts, and shall submit a report to the Legislative Research Commission on or before December 31, 2016, regarding any funding sources available and all recommendations in anticipation of legislation in the 2017 Regular Session of the General Assembly.