

## CHAPTER 9

## ( HB 69 )

AN ACT relating to automated business record falsification devices.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 517 IS CREATED TO READ AS FOLLOWS:

- (1) *A person is guilty of possession of an automated business record falsification device when he or she knowingly possesses any device or software program that falsifies the business records created by a point-of-sale system, such as any electronic device or computer system that keeps a register or supporting documents designed to record retail sales transaction information, by eliminating or manipulating true retail sales transaction information in order to represent a false record of transactions. These devices may also be referred to as "zappers" or "phantom-ware."*
- (2) *Possession of an automated business record falsification device is a Class D felony.*
- (3) *In addition to any other penalty provided by law:*
  - (a) *Any person guilty of possession of an automated business record falsification device shall forfeit all proceeds associated with its creation, sale, or usage; and*
  - (b) *An automated business record falsification device, and any device containing an automated business record falsification device, is contraband and shall be seized and forfeited to the state to be disposed of as provided in KRS 500.090.*

➔Section 2. KRS 139.760 is amended to read as follows:

- (1) Whenever any person fails to comply with any provisions of this chapter or any ~~administrative rule or~~ regulation of the department relating to the provisions of this chapter, the department may revoke or suspend any one (1) or more of the permits held by the person.
- (2) *Whenever any person uses an automated business record falsification device, as described in Section 1 of this Act, to violate any provision of this chapter or any administrative regulation of the department relating to the provisions of this chapter, the department shall revoke each permit held by the person for a period of ten (10) years.*
- (3) The department shall not issue a new permit after the revocation of a permit unless it is satisfied that the former holder of the permit will comply with the provisions of this chapter and the regulations relating thereto.
- (4)~~(3)~~ No suit shall be maintained in any court to restrain or delay the collection or payment of any tax levied by this chapter.

Signed by Governor March 25, 2014.