

CHAPTER 166**(HB 503)**

AN ACT making appropriations for the operations, maintenance, and support of the Legislative Branch of the Commonwealth of Kentucky.

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

➔Section 1. The Legislative Branch Budget is as follows:

PART I**OPERATING BUDGET**

Funds Appropriations: Funds are appropriated to the Legislative Research Commission for the Legislative Branch of government out of the General Fund and Restricted Funds accounts for the fiscal year beginning July 1, 2026, and ending June 30, 2027, and for the fiscal year beginning July 1, 2027, and ending June 30, 2028, in the following discrete sums, or so much thereof as may be necessary. Each appropriation is made by the source of respective fund or funds accounts to be used for the purposes of the Legislative Branch of government of the Commonwealth of Kentucky.

A. LEGISLATIVE BRANCH**Budget Units**

	2026-27	2027-28
1. General Assembly		
General Fund	23,908,000	25,920,200
Restricted Funds	75,000	175,000
TOTAL	23,983,000	26,095,200

(1) **Kentucky Legislative Ethics Commission:** Included in the above General Fund appropriation is \$567,700 in each fiscal year of the 2026-2028 fiscal biennium for the Kentucky Legislative Ethics Commission. Included in the above Restricted Funds appropriation is \$75,000 in fiscal year 2026-2027 and \$175,000 in fiscal year 2027-2028 for the Kentucky Legislative Ethics Commission.

(2) **Kentucky Long-Term Policy Research Center:** Notwithstanding KRS 7B.010 to 7B.090, operation of the Kentucky Long-Term Policy Research Center and its governing board shall continue to be suspended effective July 1, 2026, and shall remain suspended for the 2026-2028 fiscal biennium or until funding is restored. No funds are appropriated for the Kentucky Long-Term Policy Research Center for fiscal year 2026-2027 and fiscal year 2027-2028.

(3) **Pension Benefit Increase:** Notwithstanding KRS 6.521(3), no pension benefit increase shall be granted to recipients of a retirement allowance under KRS 6.500 to 6.577 on July 1, 2026.

(4) **Legislators Compensation:** Notwithstanding KRS 6.190 and 6.213, the daily compensation provided by KRS 6.190 and the interim expense allowance provided by KRS 6.213 for members of the General Assembly shall be as authorized by the 2024-2026 biennium and shall continue as adjusted on January 1, 2027, by the salary increment provided to state employees in the State/Executive Branch Budget.

	2026-27	2027-28
2. Legislative Research Commission		
General Fund	66,218,400	66,804,500

(1) **Legislative Record:** Notwithstanding KRS 7.105, distribution of the final issue of the Legislative Record and the interim Legislative Record shall be suspended effective July 1, 2026.

(2) **Legislative Publications:** Notwithstanding KRS Chapters 27A and 57, the Acts of the General Assembly, the Journals of the Senate and House of Representatives, and the official Kentucky statute publications may be distributed by use of electronic versions only, at the discretion of the Director of the Legislative Research Commission.

(3) Judicial Branch Salary Compensation Study: Included in the above General Fund appropriation is \$1,000,000 in fiscal year 2026-2027 to support a contract with an external consultant to conduct a comprehensive salary and compensation study for the elected and nonelected personnel of the Judicial Branch. The study shall review current classifications, compensation levels, and market competitiveness and shall include recommendations for potential adjustments to ensure equitable and competitive compensation practices. The consultant shall submit the results of the study to the Interim Joint Committee on Appropriations and Revenue by July 1, 2027.

(4) Operating Expense Reduction: The Director of the Legislative Research Commission shall, by October 1, 2026, submit a report to the Legislative Oversight and Investigations Committee and the Interim Joint Committee on Appropriations and Revenue regarding the historical and projected operational expenditures for the Legislative Research Commission. The report shall include:

- (a) A summary of actual and projected operational expenditures for fiscal years 2025-2026, 2026-2027, and 2027-2028;
- (b) A description of the administrative steps and prior approval processes implemented by the Director to reduce annual operational expenses; and
- (c) The total projected savings for the 2026-2028 fiscal biennium resulting from these cost-reduction efforts.

TOTAL - OPERATING BUDGET

	2026-27	2027-28
General Fund	90,126,400	92,724,700
Restricted Funds	75,000	175,000
TOTAL	90,201,400	92,899,700

Unexpended Balance: Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2025-2026 shall not lapse but shall continue into fiscal year 2026-2027, and any unexpended balance in any succeeding fiscal year shall not lapse but shall continue into the following fiscal year.

TOTAL - LEGISLATIVE BRANCH BUDGET

	2026-27	2027-28
General Fund	90,126,400	92,724,700
Restricted Funds	75,000	175,000
TOTAL	90,201,400	92,899,700

PART II

GENERAL PROVISIONS

1. Expenditure Authority: The Director of the Legislative Research Commission, under the supervision of the Legislative Research Commission, may expend any of the funds appropriated for legislative operation and administration in any lawful manner and for any legal purpose consistent with the policies and practices of the Commission. No executive agency or statute governing the executive agencies of state government shall have the power to restrict or limit the actions of, or the expenditure of funds appropriated to, the Legislative Research Commission for the Legislative Branch of government.

2. Capitol and Capitol Annex Capital Construction Expenditures: Any expenditure authorized by the Director of the Legislative Research Commission, under the supervision of the Legislative Research Commission, relating to implementation of KRS 56.463(4)(b), or relating to the Capitol Building, and funded by previous or current appropriations to the Legislative Research Commission for the Legislative Branch of government shall not be governed by KRS 7A.010, 7A.120, 45.750 to 45.810, 48.010(16), 48.020, and 48.110.

3. Severability of Budget Provisions: Appropriation items and sums in this Act conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions.

4. Duplicate Appropriation: Any appropriation item and sum in this Act and in an appropriation provision in another Act of the 2026 Regular Session of the General Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

5. Priority of Individual Appropriations: KRS 48.313 shall control when a total or subtotal figure in this Act conflicts with the sum of the appropriations of which it consists.

6. Appropriations Revisions: Proposed revisions to Restricted Funds appropriations in this Act shall be made and reported pursuant to KRS 48.630(10).

7. Allowance in Lieu of Stationery: Notwithstanding KRS 6.220, in lieu of stationery, there shall be allowed to each member of the House of Representatives the sum of \$350 and to each member of the Senate the sum of \$650. This allowance shall be paid out of the State Treasury at the beginning of each legislative session.

8. Salary Adjustments: In each fiscal year, employees of the Legislative Research Commission shall receive a salary adjustment in accordance with the salary adjustment provided to state employees in the State/Executive Branch Budget.

9. Administrative Expenses: Pursuant to KRS 21.540, administrative expenses shall be paid out of an administrative account which shall be funded by transfers of the necessary moneys, in appropriate ratio, from the funds provided for in KRS 21.550 and 21.560.

10. Capitol and Capitol Annex Renovations: Notwithstanding any statute or contractual terms or conditions to the contrary, the President of the Senate and the Speaker of the House of Representatives, or their designees, are authorized to meet, consult, and communicate directly with any contracted professional services provider, including but not limited to architects, design consultants, historic preservation consultants, construction managers, and subcontractors, regarding any renovation, repair, or construction project for the State Capitol and Capitol Annex without the presence of the Finance and Administration Cabinet or its representatives. Nothing in this section shall be construed to alter, limit, or supersede the authority of the Finance and Administration Cabinet with respect to procurement, contract administration, or project oversight, and does not authorize direction to contractors that is inconsistent with the terms of any contract or applicable law.

11. Special Temporary Nonprofit License: (1) Notwithstanding any provisions of KRS Chapters 241 to 244 or administrative regulations promulgated thereunder to the contrary, a special temporary nonprofit license shall be issued to a nonprofit organization or the organizer or sponsor of a state, regional, or national conference for its use at state, regional, or national conferences, which shall not include a political campaign fundraiser.

(2) A special temporary nonprofit license shall authorize the holder and its employees or agents to purchase, transport, receive, possess, store, sell, donate, deliver, and serve alcoholic beverages, including wine, malt beverages, and distilled spirits, to be sold by the package or the drink, or to be served free of charge by the drink, in person to attendees of state, regional, or national conferences, by auction, or by raffle, or sold or served free of charge by the drink to attendees of state, regional, or national conferences, and to receive alcoholic beverages from distillers, rectifiers, wineries, small farm wineries, brewers, microbreweries, wholesalers, distributors, retailers, or any other person, by gift, donation, or delivery for its use at a state, regional, or national conference.

(3) The location at which the alcoholic beverages are auctioned, sold, raffled, served, or consumed under the provisions of this section shall not constitute a public place for the purposes of KRS Chapter 222. Nonprofit events, including state, regional, or national conferences, may be conducted on licensed or unlicensed premises.

(4) A special temporary nonprofit license shall not be issued for any period longer than 30 days.

(5) Notwithstanding any other provision of KRS Chapters 241 to 244, a distiller, rectifier, winery, small farm winery, brewer, microbrewery, wholesaler, distributor, or retailer may donate, give away, or deliver any of its products to a nonprofit organization or the organizer or sponsor of a state, regional, or national conference possessing a special temporary nonprofit license.

(6) Nothing herein shall prohibit the employees of an entity that holds a special temporary nonprofit license from serving or selling wine, malt beverages, and distilled spirits by the drink to attendees of state, regional, or national conference.

(7) Nothing in this section shall prohibit the employees of retail drink licensees, including but not limited to NQ1, NQ2, NQ3, and licensed caterers from serving or selling wine, malt beverages, and distilled spirits by the drink at a state, regional, or national conference on the account of or on behalf of a nonprofit organization or the organizer or sponsor of a state, regional, or national conference that holds a special temporary nonprofit license.

PART III

BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN

The Legislative Branch shall participate in any Budget Reduction Plan or Surplus Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to the constitutional duties of the Legislative Branch shall be exempt from any Budget Reduction Plan. The level of participation in a Budget Reduction Plan shall be at the discretion of the Director and shall not exceed the actual percentage of revenue shortfall.

Vetoed in Part and Overridden April 14, 2026.