

**GENERAL GOVERNMENT CABINET**  
**Kentucky Registry of Election Finance**  
**(Amendment)**

**32 KAR 2:200. Allowable campaign expenditures.**

RELATES TO: KRS 121.150, 121.175

STATUTORY AUTHORITY: KRS 121.120(1)(g), 121.175

CERTIFICATION STATEMENT: This certifies that this administrative regulation complies with the requirements of 2025 RS HB 6, Section 8.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 121.175~~[, as amended by the General Assembly in extraordinary session in 1993,]~~ requires the Registry of Election Finance to promulgate administrative regulations to specifically define those expenditures that may lawfully be made from a candidate's, committee's, or contributing organization's campaign account. It is therefore necessary to promulgate this administrative regulation so that the agency may fulfill its statutory mandate.

Section 1. Allowable Expenditures. In addition to the general categories of allowable campaign expenditures provided by law, the following expenditures shall be considered allowable:

- (1) Expenditures made or items donated to charitable and civic organizations such as clubs, neighborhood organizations, schools, and churches, provided that the expenditure furthers a candidacy through advertising;
- (2) Expenditures for items of personal property bearing the name or likeness of the candidate in a conspicuous manner for distribution by a candidate which are distributed for the purpose of advertising that individual's candidacy. These items include~~[, but are not limited to,]~~ hats, shirts, calendars, magnets, holiday greeting cards, and similar items. The purchase of tickets for general distribution for the purpose of influencing ~~an~~and election, either directly or indirectly, shall not be allowed under the subsection;
- (3) Reasonable expenditures for services such as distribution of campaign literature, staff services, and similar services which are primarily and directly related to the individual's candidacy;
- (4) Expenditures for the purchase of transportation services, including~~[ but not limited to]~~ the transportation of voters to the polls, provided that the expenditures are reasonable in light of the number of persons transported, mileage driven, and time spent. All transportation expenditures shall be primarily and directly related to the candidacy of the individual on whose behalf the expenditures are made;
- (5) Expenditures for tickets to political and other events to be attended by the candidate, his spouse, or a campaign staff representative, and from which the candidate derives a direct benefit to his candidacy. The burden shall be on the candidate to prove to the registry that representation at the event provided a direct benefit to his candidacy;
- (6) The purchase of American, state, or other flags which are donated to schools, civic, or charitable organizations;
- (7) The purchase or rental of items such as cellular telephones, copiers, computers, automobiles, facsimile machines, and similar items. Only that use attributable to the campaign may be paid for with campaign funds and the burden shall be on the candidate to prove that an expenditure is allowable under this subsection:~~[.]~~
- (8) The purchase of food and drink to be served at an event directly related to the candidacy of the individual on whose behalf the expenditures are made;
- (9) Expenditures made or items donated for a door prize that anyone who is attending an event directly related to the candidacy of the individual has the opportunity to win; and

(10) Expenditures made or items donated for a silent auction-type fundraising event where items are bid on independently for the purpose of raising funds to directly benefit the campaign account.

Section 2. Unlawful Campaign Expenditures. In addition to the expenditures specifically prohibited by law, the following categories of campaign expenditures shall not be considered allowable expenditures from a campaign account:

(1) Payment of dues to professional, civic, or other organizations to which the individual belongs or desires to join, unless membership in the organization provides the candidate with a direct benefit to his candidacy. The burden shall be on the candidate to prove to the registry that membership in the organization provided a direct benefit to his candidacy;

(2) Expenditures made to defray the costs associated with an individual's performance of his official duties as an officeholder, except for those otherwise expressly permitted in KRS 121.175;[.]

(3) Expenditures for food and drink to be served at events unrelated to the individual's candidacy;

(4) Expenditures for items of personal property for distribution by a candidate that do not advertise nor promote that individual's candidacy; and

(5) Expenditures made or items donated to hold a raffle or other game of chance which require a person to pay for the chance to win a prize.

Section 3. If the registry staff, in the course of reviewing a candidate's, committee's, or contributing organization's~~for incumbent's~~ campaign finance statements, determines that a questionable expenditure has been made, whether or not the expenditure was made during an election year, the burden shall be on the candidate, committee, or contributing organization~~for incumbent~~ to prove that the expenditure was directly and primarily related to a ~~his~~ candidacy.

32 KAR 2:200

JOHN R. STEFFEN, Executive Director

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## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

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**Subject Headings:** Election Finance, Elections and Voting, Administrative Hearings

**(1) Provide a brief summary of:**

**(a) What this administrative regulation does:**

This administrative regulation helps define those expenditures that may lawfully be made from a candidate's, committee's, or contributing organization's campaign account.

**(b) The necessity of this administrative regulation:**

This administrative regulation is necessary because KRS 121.175(3) requires the Registry of Election Finance ("Registry") to promulgate administrative regulations to implement and enforce the provisions of KRS 121.175(1), which pertains to allowable campaign expenditures.

**(c) How this administrative regulation conforms to the content of the authorizing statutes:**

KRS 121.120(1)(g) grants the Registry the authority to "promulgate administrative regulations necessary to carry out the provisions of this chapter[.]" KRS 121.175(3) requires the Registry to promulgate administrative regulations to implement and enforce the provisions of KRS 121.175(1), which pertains to allowable campaign expenditures. This administrative regulation addresses allowable campaign expenditures.

**(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:**

This administrative regulation assists in implementing and enforcing the provisions of KRS 121.175(1), as required by KRS 121.175(3).

**(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:**

**(a) How the amendment will change this existing administrative regulation:**

This amended administrative regulation addresses questions often asked of the Registry regarding additional specific campaign expenditures that were previously not addressed in the regulation. It will also correct a typo as well as specifically include all entities to which the relevant statute, KRS 121.175, pertains.

**(b) The necessity of the amendment to this administrative regulation:**

This amended administrative regulation is necessary as it will provide additional guidance to candidates, committees, and contributing organizations regarding allowable campaign expenditures, while making it clear that the regulation pertains to committees and contributing organizations, along with candidates, as contemplated in KRS 121.175.

**(c) How the amendment conforms to the content of the authorizing statutes:**

KRS 121.120(1)(g) authorizes the Registry to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 121. KRS 121.175(3) requires the Registry to promulgate administrative regulations to implement and enforce the provisions of KRS 121.175(1), which pertains to allowable campaign expenditures.

This administrative regulation addresses additional allowable campaign expenditures.

**(d) How the amendment will assist in the effective administration of the statutes:**

By providing additional guidance to candidates, committees, and contributing organizations regarding allowable campaign expenditures, as well as making it clear to which entities the regulation pertains, consistent with KRS 121.175.

**(3) Does this administrative regulation or amendment implement legislation from the previous five years? No.**

**(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:**

Candidates, committees, and contributing organizations are affected by this administrative regulation.

**(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:**

**(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment:**

Regulated entities will use this regulation as guidance while making campaign expenditures.

**(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):**

The entities will incur no costs in complying with the regulation.

**(c) As a result of compliance, what benefits will accrue to the entities identified in question (4):**

Compliance will allow for the proper use of funds in campaign accounts.

**(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:**

**(a) Initially:**

There will be no initial cost to the administrative body to implement this administrative regulation.

**(b) On a continuing basis:**

There will be no cost on a continuous basis to the administrative body to implement this administrative regulation.

**(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:**

While no additional funding will be required for the implementation and enforcement of this administrative regulation, the administrative body operates solely on General Funds.

**(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:**

It will not be necessary to increase fees or funding to implement this administrative regulation.

**(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:**

No fees will be established or increased.

**(10) TIERING: Is tiering applied?**

This administrative regulation does not apply tiering because these general provisions apply equally to any regulated individual or entity who has a campaign account.

## FISCAL IMPACT STATEMENT

**(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation:**

KRS 121.120(1)(g) and 121.175

**(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:**

Yes, 1993 1st Ex. Sess. SB 7, (1993 1st Ex. Sess. Acts Ch. 4)

**(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:**

The Kentucky Registry of Election Finance is the promulgating agency. No other state units, parts, or divisions are affected.

**(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):**

**1. Expenditures:**

**For the first year:**This administrative regulation will not result in any additional expenditures by the Registry for the first year.

**For subsequent years:**This administrative regulation will not result in any additional expenditures by the Registry for subsequent years.

**2. Revenues:**

**For the first year:**This administrative regulation will not generate revenue for the Registry for the first year.

**For subsequent years:**This administrative regulation will not generate revenue for the Registry for subsequent years.

**3. Cost Savings:**

**For the first year:**This administrative regulation will not generate any cost savings for the Registry for the first year.

**For subsequent years:**This administrative regulation will not generate any cost savings for the Registry for subsequent years.

**(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):**

This amendment will not affect local entities

**(b) Estimate the following for each affected local entity identified in (4)(a):**

**1. Expenditures:**

**For the first year:**No local entities are affected.

**For subsequent years:**No local entities are affected.

**2. Revenues:**

**For the first year:**No local entities are affected.

**For subsequent years:**No local entities are affected.

**3. Cost Savings:**

**For the first year:**No local entities are affected.

**For subsequent years:No local entities are affected.**

**(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):**

The amendment will affect candidates, committees, and contributing organizations as defined in KRS 121.015.

**(b) Estimate the following for each regulated entity identified in (5)(a):**

**1. Expenditures:**

**For the first year:**This administrative regulation will not result in any additional expenditures for the first year.

**For subsequent years:**This administrative regulation will not result in any additional expenditures for subsequent years.

**2. Revenues:**

**For the first year:**This administrative regulation will not generate revenue for the first year.

**For subsequent years:**This administrative regulation will not generate revenue for subsequent years.

**3. Cost Savings:**

**For the first year:**This administrative regulation will not generate any cost savings for the first year.

**For subsequent years:**This administrative regulation will not generate any cost savings for subsequent years. (6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

**(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a)**

**(a) Fiscal impact of this administrative regulation:**

There are no fiscal impacts as the amendment only provides additional guidance regarding allowable campaign expenditures.

**(b) Methodology and resources used to reach this conclusion:**

A review of the criteria of the administrative regulation: the only changes do not have any fiscal impacts to any entity, including the Registry.

**(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):**

**(a) Whether this administrative regulation will have a "major economic impact", as defined by KRS 13A.010(14):**

This administrative regulation will not have a major economic impact.

**(b) The methodology and resources used to reach this conclusion:**

This administrative regulation has no fiscal impact thus no methodology was applied nor resource analysis undertaken to determine that there is not a "major economic impact."