

GENERAL GOVERNMENT CABINET
Kentucky Registry of Election Finance
(Amendment)

32 KAR 2:050. Conciliation.

RELATES TO: KRS 121.140

STATUTORY AUTHORITY: KRS 121.120(1)(g)

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

NECESSITY, FUNCTION, AND CONFORMITY: KRS 121.120(1)(g) authorizes the Registry of Election Finance to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 121. This administrative regulation establishes conciliation procedures.

Section 1. Negotiations.

(1) Upon a registry finding of probable cause, the general counsel and executive director shall attempt to correct or prevent the violation by informal methods of conference, conciliation, and persuasion and shall attempt to reach a tentative conciliation agreement with the respondent.

(2) During conciliation negotiations, the general counsel and executive director shall consider as a mitigating factor the attendance by a candidate or treasurer at one (1) or more training sessions sponsored by the registry, directly preceding the election during which the violation occurred. Based upon this and any other mitigating factors, the general counsel and executive director may reduce a fine, if proposed by the registry.

(3) A conciliation agreement shall not be binding upon either party until it is signed by the respondent, the general counsel, and the executive director and approved by the registry.

(4) If the probable cause to believe finding is made within forty-five (45) days preceding an election, the conciliation attempt shall continue for at least fifteen (15) days from the date of the finding. In all other cases, conciliation attempts by the registry shall continue for at least thirty (30) days, not to exceed ninety (90) days.

(5) If a conciliation agreement is reached between the registry and the respondent, the general counsel shall send a copy of the signed agreement to both complainant and respondent.

JOHN R. STEFFEN, Executive Director

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CONTACT PERSON: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance, 140 Walnut Street, Frankfort, Kentucky 40601, phone (502) 573-2226, fax (502) 573-5622, email LeslieM.Saunders@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance, Phone: (502) 573-2226, Email: LeslieM.Saunders@ky.gov.

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

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes Registry of Election Finance ("Registry") conciliation procedures.

(b) The necessity of this administrative regulation:

This administrative regulation is necessary because, while KRS 121.140 contemplates a conciliation process for violators, the statute describes no procedures for doing so with any detail.

(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[.]" This administrative regulation establishes procedures for conciliation under KRS 121.140.

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

This administrative regulation sets procedures for the conciliation process thereby assuring that the mandates of KRS 121.140 are effectively carried out.

(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 inserts a previously deleted timeframe to engage in conciliation by providing that, "...conciliation attempts by the registry shall continue for at least thirty (30) days, not to exceed ninety (90) days."

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

This amended administrative regulation is necessary as it provides a timeframe for the Registry and violators to engage in conciliation and attempt to reach an agreement without the necessity of a formal hearing.

(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 121.140 mandates that the Registry engage in conciliation with violators to resolve violations. This amended administrative regulation provides the Registry and violators with a timeframe for engaging in conciliation.

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

By providing a timeframe for engaging in conciliation, this amended administrative regulation provides the Registry and violators with certainty as to the length of conciliation proceedings and thereby allows them to make decisions in a more efficient manner and eliminates unnecessary delay.

(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:

Anyone who is party to a conciliation negotiation with the Registry is affected.

(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 to navigate the conciliation process with the Registry.

(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 orderly resolution and closing of enforcement matters before the Registry without the need for formal hearings.

(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 violated applicable statutes and regulations and seeks to enter into conciliation with the Registry.

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 121.140

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

Yes, 1992 SB 22, (1992 Ky. Acts Ch. 288)

(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 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. Note, however, that the conciliation process does provide a small amount of revenue to the general fund through collection of penalties.

For subsequent years:This administrative regulation will not generate revenue for subsequent years subject to the note about collection of penalties, above.

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.

(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: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.

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

The amendment will affect only those entities who choose to engage in the conciliation process with the Registry.

(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 a timeframe in which the Registry and violators may engage in conciliation and attempt to reach an agreement without the necessity of a formal hearing.

(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."