

161.460 Conflict of interest -- Trustees, employees, members of General Assembly, public servants.

- (1) No trustee or employee of the board of trustees shall:
 - (a) Have any interest, direct or indirect, in the gain or profits of any investment or any other legal, business, or financial transaction made by the board, except that any such trustee or employee may be a member, employee, or beneficiary of the plans administered by the board or authority;
 - (b) Directly or indirectly for himself or as an agent for another, use any of the assets of the retirement system in any manner except to make current and necessary payments authorized by the board;
 - (c) Become an endorser, surety, or obligor for moneys loaned to or borrowed from the board;
 - (d) Have a contract or agreement with the retirement system, individually or through a business owned by the trustee or the employee;
 - (e) Use his or her official position with the retirement system to obtain a financial gain or benefit or advantage for himself or herself or a family member;
 - (f) Use confidential information acquired during his or her tenure with the retirement system to further his or her own economic interests or that of another person; or
 - (g) Hold outside employment with, or accept compensation from, any person or business with which he or she has involvement as part of his or her official position with the retirement system. The provisions of this subsection shall not prohibit a trustee from serving as an employee of an agency participating in the Kentucky Teachers' Retirement System.
- (2) No trustee or employee of the board of trustees, who has served as a trustee or employee of the board on or after July 1, 2017, shall have any interest, direct or indirect, in the gains or profits of any investment or any other legal, business, or financial transaction made by the board of trustees for a period of five (5) years following termination of his or her position, except that any such trustee or employee may be a member, employee, or beneficiary of the Teachers' Retirement System.
- (3)
 - (a) No person who is serving as a member of the General Assembly or is a public servant as defined by KRS 11A.010(9) shall have any interest, direct or indirect, in the gains or profits of any investment or any other legal, business, or financial transaction made by the board of trustees, except that any such member or public servant may be a member, employee, or beneficiary of the Teachers' Retirement System.
 - (b) No person who was serving as a member of the General Assembly on or after July 1, 2017, or was serving as a public servant as defined by KRS 11A.010(9) on or after July 1, 2017, shall have any interest, direct or indirect, in the gains or profits of any investment or any other legal, business, or financial transaction made by the board of trustees for a period of five (5) years following termination of his or her position, except that any such member or public servant may be a member, employee, or

beneficiary of the Teachers' Retirement System.

Effective: March 25, 2019

History: Repealed, reenacted, and amended 2019 Ky. Acts ch. 72, sec. 4, effective March 25, 2019. -- Amended 2018 Ky. Acts ch. 107, sec. 48, effective July 14, 2018. -- Amended 2012 Ky. Acts ch. 75, sec. 14, effective April 11, 2012. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 502, effective July 13, 1990. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4506b-25.

Legislative Research Commission Note (12/13/2018). On December 13, 2018, the Kentucky Supreme Court ruled that the passage of 2018 SB 151 (2018 Ky. Acts ch. 107), did not comply with the three-readings rule of Kentucky Constitution Section 46 and that the legislation is, therefore, constitutionally invalid and declared void. That ruling applies to changes made to this statute in that Act.