

AN ACT relating to campaign finance.

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

➔Section 1. KRS 121.015 is amended to read as follows:

As used in this chapter:

- (1) "Registry" means the Kentucky Registry of Election Finance;
- (2) "Election" means any primary, regular, or special election to fill vacancies regardless of whether a candidate or slate of candidates is opposed or unopposed in an election. Each primary, regular, or special election shall be considered a separate election;
- (3) "Committee" includes the following:
 - (a) "Campaign committee," which means one (1) or more persons who receive contributions and make expenditures to support or oppose one (1) or more specific candidates or slates of candidates for nomination or election to any state, county, city, or district office, but does not include an entity established solely by a candidate which is managed solely by a candidate and a campaign treasurer and whose name is generic in nature, such as "Friends of (the candidate)," and does not reflect that other persons have structured themselves as a committee, designated officers of the committee, and assigned responsibilities and duties to each officer with the purpose of managing a campaign to support or oppose a candidate in an election;
 - (b) "Caucus campaign committee," which means members of one (1) of the following caucus groups who receive contributions and make expenditures to support or oppose one (1) or more specific candidates or slates of candidates for nomination or election, or a committee:
 1. House Democratic caucus campaign committee;
 2. House Republican caucus campaign committee;
 3. Senate Democratic caucus campaign committee; and

4. Senate Republican caucus campaign committee;
- (c) "Political issues committee," which means three (3) or more persons joining together to advocate for or oppose a proposed constitutional amendment or public question which appears on the ballot if that committee receives or expends money in excess of one thousand dollars (\$1,000);
- (d) "Permanent committee," which means a group of individuals, including an association, committee or organization, other than a campaign committee, political issues committee, inaugural committee, caucus campaign committee, or party executive committee, which is established as, or intended to be, an~~a permanent~~ organization having as a primary purpose expressly advocating for the election or defeat of one (1) or more clearly identified candidates, slates of candidates, or political parties~~, which functions on a regular basis throughout the year~~;
- (e) An executive committee of a political party; and
- (f) "Inaugural committee," which means one (1) or more persons who receive contributions and make expenditures in support of inauguration activities for any candidate or slate of candidates elected to any state, county, city, or district office;
- (4) "Contributing organization" means a group, company, corporation, cooperative, association, organization, labor union, fraternal society, partnership, or other similar entity which ~~merely~~ contributes to candidates, slates of candidates, ~~campaign committees, caucus campaign committees,~~ or ~~executive~~ committees, or to other persons, groups, companies, corporations, cooperatives, associations, organizations, labor unions, fraternal societies, partnerships, or other similar entities that make independent expenditures or expenditures on electioneering communications ~~from time to time from funds derived solely from within the group, and which does not solicit or receive funds from sources outside the group~~

~~itself. However, any contributions made by the groups in excess of one hundred dollars (\$100) shall be reported to the registry];~~

- (5) "Testimonial affair" means an affair held in honor of a person who holds or who is or was a candidate for nomination or election to a political office in this state designed to raise funds for any purpose not charitable, religious, or educational;
- (6) "Contribution" means any:
- (a) Payment, distribution, loan, deposit, or gift of money or other thing of value, to a candidate, his agent, a slate of candidates, its authorized agent, a committee, or contributing organization. As used in this subsection, "loan" shall include a guarantee, endorsement, or other form of security where the risk of nonpayment rests with the surety, guarantor, or endorser, as well as with a committee, contributing organization, candidate, slate of candidates, or other primary obligor. No person shall become liable as surety, endorser, or guarantor for any sum in any one (1) election which, when combined with all other contributions the individual makes to a candidate, his agent, a slate of candidates, its agent, a committee, or a contributing organization, exceeds the contribution limits provided in KRS 121.150;
 - (b) Payment by any person other than the candidate, his authorized treasurer, a slate of candidates, its authorized treasurer, a committee, or a contributing organization, of compensation for the personal services of another person which are rendered to a candidate, slate of candidates, committee, or contributing organization, or for inauguration activities;
 - (c) Goods, advertising, or services with a value of more than one hundred dollars (\$100) in the aggregate in any one (1) election which are furnished to a candidate, slate of candidates, committee, or contributing organization or for inauguration activities without charge, or at a rate which is less than the rate normally charged for the goods or services;~~[- or]~~

- (d) Payment by any person other than a candidate, his authorized treasurer, a slate of candidates, its authorized treasurer, a committee, or contributing organization for any goods or services with a value of more than one hundred dollars (\$100) in the aggregate in any one (1) election which are utilized by a candidate, slate of candidates, committee, or contributing organization, or for inauguration activities; or
- (e) Transfer of funds in an amount greater than one hundred dollars (\$100) that is deemed to be a contribution by subsection (3) of Section 3 of this Act;**
- (7) Notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include:
- (a) Services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, a slate of candidates, committee, or contributing organization;
- (b) A loan of money by any financial institution doing business in Kentucky made in accordance with applicable banking laws and regulations and in the ordinary course of business; or
- (c) An independent expenditure by any individual or permanent committee;
- (8) "Candidate" means any person who has received contributions or made expenditures, has appointed a campaign treasurer, or has given his consent for any other person to receive contributions or make expenditures with a view to bringing about his nomination or election to public office, except federal office;
- (9) "Slate of candidates" means any two (2) persons who have filed a joint notification and declaration pursuant to KRS 118.127, received contributions or made expenditures, appointed a campaign treasurer, designated a campaign depository, or given their consent for any other person to receive contributions or make expenditures with a view to bringing about their nomination for election to the offices of Governor and Lieutenant Governor. Unless the context requires

otherwise, any provision of law that applies to a candidate shall also apply to a slate of candidates;

- (10) "Knowingly" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists;
- (11) "Fundraiser" means an individual who directly solicits and secures contributions on behalf of a candidate or slate of candidates for a statewide-elected state office or an office in a jurisdiction with a population in excess of two hundred thousand (200,000) residents;
- (12) "Independent expenditure" means the expenditure of money or other things of value for a communication which expressly advocates the election or defeat of a clearly identified candidate or slate of candidates, and which is made without any coordination, consultation, or cooperation with any candidate, slate of candidates, campaign committee, or any authorized person acting on behalf of any of them, and which is not made in concert with, or at the request or suggestion of any candidate, slate of candidates, campaign committee, or any authorized person acting on behalf of any of them;
- (13) "Electronic reporting" means the use of technology, having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an individual or other entity submits, compiles, or transmits campaign finance reports to the registry, or by which the registry receives, stores, analyzes, or discloses the reports;
- (14) "Security procedure" means a procedure employed for the purpose of verifying that an electronic signature, record, or performance is that of a specific person or for detecting changes or errors in the information in an electronic record. The term includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, or callback or other acknowledgment procedures;

- (15) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record;
- (16) "Filer" means any candidate, a slate of candidates, committee, or other individual or entity required to submit financial disclosure reports to the registry;~~and~~
- (17) "Filer-side software" means software provided to or used by the filer that enables transmittal of financial reports to the registry; and

(18) (a) "Electioneering communication" means a paid communication that:

- 1. Is publicly distributed by radio, television, cable, satellite, Internet or other electronic communication network, newspaper, periodical, billboard, mail, hand delivery, or any other distribution of printed materials;**
- 2. Is made within sixty (60) days of a primary or a regular or special election;**
- 3. Does not expressly advocate for or against a candidate, slate of candidates, political party or group, proposed constitutional amendment, or public question which appears on the ballot;**
- 4. Can be received by more than fifty (50) recipients in the area voting in a primary or a regular or special election; and**
- 5. a. Refers to one (1) or more clearly identified candidates or slates of candidates in that primary or regular or special election;**
 - b. Depicts the name, image, likeness, or voice of one (1) or more clearly identified candidates or slates of candidates in that primary or regular or special election; or**
 - c. Refers to a political party or group, proposed constitutional amendment, or public question which appears on the ballot in that primary or regular or special election.**

(b) "Electioneering communication" does not mean:

1. **A bona fide news story, commentary, blog, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical, or by the Internet or other electronic communication network, unless the facilities are owned or controlled by a candidate, slate of candidates, political party or group, committee, or contributing organization;**
2. **A communication by any membership organization or corporation to its members, stockholders, or employees;**
3. **A commercial communication that depicts any candidate's name, image, likeness, or voice only in the candidate's capacity as owner, operator, or employee of a business that existed prior to the candidate's candidacy;**
4. **A communication that constitutes a candidate debate or forum or that solely promotes a candidate debate or forum and is made by or on behalf of the person sponsoring the debate or forum; or**
5. **A similar communication that the registry determines by administrative regulation is not an electioneering communication.**

➔Section 2. KRS 121.190 is amended to read as follows:

- (1) All newspaper or magazine advertising, posters, circulars, billboards, handbills, sample ballots, and paid-for television or radio **or Internet or other electronic communication network** announcements, which expressly advocate **for** the election or defeat of a clearly identified candidate, slate of candidates, ~~for~~ group of candidates, **political party or group, proposed constitutional amendment, or public question which appears on the ballot, or which constitutes an electioneering communication** ~~for nomination or election to any public office~~ shall be identified by the words "paid for by" followed by the name and address of the individual, ~~for~~

committee, group, association, or contributing organization, which paid for the communication; except that if paid for by a candidate, slate of candidates, or campaign committee, it shall be identified only by the words "paid for by" followed by the name of the candidate, slate of candidates, or campaign committee, whichever is applicable; and if paid for by any other committee, group, association, or contributing organization, it shall also include the name and address of the person or persons that organized the committee, group, association, or contributing organization, and its president, director, or chief executive officer and treasurer, or the equivalent officers. For television and radio broadcasts, compliance with Federal Communications Commission regulations regarding sponsored programs and broadcasts by candidates for public office shall be considered compliance with this section.

- (2) The management of newspapers and magazines shall keep a one (1) year record of all statements, articles, or advertisements referred to in subsection (1) of this section, that appear in their publications, however, nothing in subsection (1) of this section shall be construed to require editors or editorial writers of newspapers and magazines to identify themselves in the manner therein required with any article or editorial written by them as part of their duties as an employee or employer.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other section of this chapter to the contrary, every person, committee, group, company, corporation, cooperative, association, organization, labor union, fraternal society, partnership, or other similar entity that makes expenditures on one (1) or more electioneering communications in an aggregate amount exceeding three thousand dollars (\$3,000) during an election shall follow the same campaign finance registration and reporting schedule as required of candidates or slates of candidates under this chapter, except as provided in

subsection (2) of this section, and shall report the following:

(a) The name and address of the person, committee, group, company, corporation, cooperative, association, organization, labor union, fraternal society, partnership, or other similar entity making the expenditure on an electioneering communication;

(b) The name of any candidate or slate of candidates that are identified, referred to, or depicted in the electioneering communication;

(c) The name of any political party or group, and any proposed constitutional amendment or public question which appears on the ballot, that is referred to in the electioneering communication;

(d) The total amount or value of the expenditure on the electioneering communication;

(e) The name and address of the vendor to whom the payments were made;

(f) The purpose and date of the expenditure and the date of the communication; and

(g) If any funds were received from any other source for the electioneering communication:

1. The date the funds were received;

2. The name and address of the provider of funds in excess of one hundred dollars (\$100), if any; and

3. The value of the funds received.

(2) Notwithstanding any other section of this chapter to the contrary, any person, committee, group, company, corporation, cooperative, association, organization, labor union, fraternal society, partnership, or other similar entity that makes or contracts to make expenditures on one (1) or more electioneering communications aggregating one thousand dollars (\$1,000) or more within fifteen (15) days before the date of a primary or regular or special election shall

electronically file a report with the registry containing the information required under subsection (1) of this section within forty-eight (48) hours after making or contracting to make the expenditure on the communication, or within forty-eight (48) hours after the communication is first made, whichever is sooner.

- (3) For the purposes of this section, any transfer of funds in an amount greater than one hundred dollars (\$100) from a person, committee, group, company, corporation, cooperative, association, organization, labor union, fraternal society, partnership, or other similar entity, that is intended to be used, is designated for use, or is used for an electioneering communication shall be deemed to be, and shall be reported as, a contribution, and the person, committee, group, company, corporation, cooperative, association, organization, labor union, fraternal society, partnership, or other similar entity that makes the contribution shall be deemed to be a contributing organization, as defined by Section 1 of this Act, for the purposes of reporting under this chapter.
- (4) The registry shall promulgate, consistent with KRS Chapter 13A, any administrative regulations necessary to carry out the provisions of this section.