

1 AN ACT relating to public financing of political campaigns and making an
2 appropriation therefor.

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

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

5 As used in this chapter:

6 (1) "Registry" means the Kentucky Registry of Election Finance;

7 (2) "Election" means any primary, regular, or special election to fill vacancies
8 regardless of whether a candidate or slate of candidates is opposed or unopposed in
9 an election. Each primary, regular, or special election shall be considered a separate
10 election;

11 (3) "Committee" includes the following:

12 (a) "Campaign committee," ~~which~~ means one (1) or more persons who receive
13 contributions and make expenditures to support or oppose one (1) or more
14 specific candidates or slates of candidates for nomination or election to any
15 state, county, city, or district office, but does not include an entity established
16 solely by a candidate which is managed solely by a candidate and a campaign
17 treasurer and whose name is generic in nature, such as "Friends of (the
18 candidate)," and does not reflect that other persons have structured themselves
19 as a committee, designated officers of the committee, and assigned
20 responsibilities and duties to each officer with the purpose of managing a
21 campaign to support or oppose a candidate in an election;

22 (b) "Caucus campaign committee," ~~which~~ means members of one (1) of the
23 following caucus groups who receive contributions and make expenditures to
24 support or oppose one (1) or more specific candidates or slates of candidates
25 for nomination or election, or a committee:

- 26 1. House Democratic caucus campaign committee;
- 27 2. House Republican caucus campaign committee;

- 1 3. Senate Democratic caucus campaign committee; and
- 2 4. Senate Republican caucus campaign committee;
- 3 (c) "Political issues committee," ~~[which]~~ means three (3) or more persons joining
- 4 together to advocate or oppose a constitutional amendment or public question
- 5 which appears on the ballot if that committee receives or expends money in
- 6 excess of one thousand dollars (\$1,000);
- 7 (d) "Permanent committee," ~~[which]~~ means a group of individuals, including an
- 8 association, committee or organization, other than a campaign committee,
- 9 political issues committee, inaugural committee, caucus campaign committee,
- 10 or party executive committee, which is established as, or intended to be, a
- 11 permanent organization having as a primary purpose expressly advocating the
- 12 election or defeat of one (1) or more clearly identified candidates, slates of
- 13 candidates, or political parties, which functions on a regular basis throughout
- 14 the year;
- 15 (e) An executive committee of a political party; and
- 16 (f) "Inaugural committee," ~~[which]~~ means one (1) or more persons who receive
- 17 contributions and make expenditures in support of inauguration activities for
- 18 any candidate or slate of candidates elected to any state, county, urban-county
- 19 government, charter county, consolidated local government, unified local
- 20 government, city, or district office;
- 21 (4) "Contributing organization" means a group which merely contributes to candidates,
- 22 slates of candidates, campaign committees, caucus campaign committees, or
- 23 executive committees from time to time from funds derived solely from within the
- 24 group, and which does not solicit or receive funds from sources outside the group
- 25 itself. However, any contributions made by the groups in excess of one hundred
- 26 dollars (\$100) shall be reported to the registry;
- 27 (5) "Testimonial affair" means an affair held in honor of a person who holds or who is

1 or was a candidate for nomination or election to a political office in this state
2 designed to raise funds for any purpose not charitable, religious, or educational;

3 (6) "Contribution" means any:

4 (a) Payment, distribution, loan, deposit, or gift of money or other thing of value,
5 to a candidate, his or her agent, a slate of candidates, its authorized agent, a
6 committee, or contributing organization. As used in this subsection, "loan"
7 shall include a guarantee, endorsement, or other form of security where the
8 risk of nonpayment rests with the surety, guarantor, or endorser, as well as
9 with a committee, contributing organization, candidate, slate of candidates, or
10 other primary obligor. No person shall become liable as surety, endorser, or
11 guarantor for any sum in any one (1) election which, when combined with all
12 other contributions the individual makes to a candidate, his or her agent, a
13 slate of candidates, its agent, a committee, or a contributing organization,
14 exceeds the contribution limits provided in KRS 121.150;

15 (b) Payment by any person other than the candidate, his or her authorized
16 treasurer, a slate of candidates, its authorized treasurer, a committee, or a
17 contributing organization, of compensation for the personal services of
18 another person which are rendered to a candidate, slate of candidates,
19 committee, or contributing organization, or for inauguration activities;

20 (c) Goods, advertising, or services with a value of more than one hundred dollars
21 (\$100) in the aggregate in any one (1) election which are furnished to a
22 candidate, slate of candidates, committee, or contributing organization or for
23 inauguration activities without charge, or at a rate which is less than the rate
24 normally charged for the goods or services; or

25 (d) Payment by any person other than a candidate, his or her authorized treasurer,
26 a slate of candidates, its authorized treasurer, a committee, or contributing
27 organization for any goods or services with a value of more than one hundred

1 dollars (\$100) in the aggregate in any one (1) election which are utilized by a
2 candidate, slate of candidates, committee, or contributing organization, or for
3 inauguration activities;

4 (7) Notwithstanding the foregoing meanings of "contribution," the word shall not ~~be~~
5 ~~construed to~~ include:

6 (a) Services provided without compensation by individuals volunteering a portion
7 or all of their time on behalf of a candidate, a slate of candidates, committee,
8 or contributing organization;

9 (b) A loan of money by any financial institution doing business in Kentucky made
10 in accordance with applicable banking laws and administrative regulations
11 and in the ordinary course of business; or

12 (c) An independent expenditure by any individual or permanent committee;

13 (8) "Candidate" means any person who has received contributions or made
14 expenditures, has appointed a campaign treasurer, or has given his or her consent
15 for any other person to receive contributions or make expenditures with a view to
16 bringing about his or her nomination or election to public office, except federal
17 office;

18 (9) "Slate of candidates" means any two (2) persons who have filed a joint notification
19 and declaration pursuant to KRS 118.127, received contributions or made
20 expenditures, appointed a campaign treasurer, designated a campaign depository, or
21 given their consent for any other person to receive contributions or make
22 expenditures with a view to bringing about their nomination for election to the
23 offices of Governor and Lieutenant Governor. Unless the context requires
24 otherwise, any provision of law that applies to a candidate shall also apply to a slate
25 of candidates;

26 (10) "Knowingly" means, with respect to conduct or to a circumstance described by a
27 statute defining an offense, that a person is aware or should have been aware that

- 1 his or her conduct is of that nature or that the circumstance exists;
- 2 (11) "Fundraiser" means an individual who directly solicits and secures contributions on
3 behalf of a candidate or slate of candidates for a statewide-elected state office or an
4 office in a jurisdiction with a population in excess of two hundred thousand
5 (200,000) residents;
- 6 (12) "Independent expenditure" means the expenditure of money or other things of value
7 for a communication which expressly advocates the election or defeat of a clearly
8 identified candidate or slate of candidates, and which is made without any
9 coordination, consultation, or cooperation with any candidate, slate of candidates,
10 campaign committee, or any authorized person acting on behalf of any of them, and
11 which is not made in concert with, or at the request or suggestion of any candidate,
12 slate of candidates, campaign committee, or any authorized person acting on behalf
13 of any of them;
- 14 (13) "Electronic reporting" means the use of technology, having electrical, digital,
15 magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an
16 individual or other entity submits, compiles, or transmits campaign finance reports
17 to the registry, or by which the registry receives, stores, analyzes, or discloses the
18 reports;
- 19 (14) "Security procedure" means a procedure employed for the purpose of verifying that
20 an electronic signature, record, or performance is that of a specific person or for
21 detecting changes or errors in the information in an electronic record. The term
22 includes a procedure that requires the use of algorithms or other codes, identifying
23 words or numbers, encryption, or callback or other acknowledgment procedures;
- 24 (15) "Electronic signature" means an electronic sound, symbol, or process attached to or
25 logically associated with a record and executed or adopted by a person with the
26 intent to sign the record;
- 27 (16) "Filer" means any candidate, a slate of candidates, committee, or other individual or

1 entity required to submit financial disclosure reports to the registry; ~~and~~

2 (17) "Filer-side software" means software provided to or used by the filer that enables
3 transmittal of financial reports to the registry;

4 **(18) "Campaign finance credit" means a credit valued at fifty dollars (\$50), issued to**
5 **a Kentucky resident who is a qualified voter, that may be assigned as a**
6 **contribution to a participating candidate or slate of candidates in the program**
7 **established in Section 3 of this Act;**

8 **(19) "Participating candidate" means a candidate or slate of candidates for statewide**
9 **constitutional office, or a candidate for the General Assembly who is certified by**
10 **the registry as qualified to be assigned and to redeem campaign finance credits**
11 **under Sections 2 to 20 of this Act;**

12 **(20) "Program" means the campaign finance credit program established by Sections**
13 **2 to 20 of this Act;**

14 **(21) "Qualified contribution" means a contribution that:**

15 **(a) Is made by a Kentucky resident; and**

16 **(b) In the aggregate, does not exceed:**

17 **1. Two hundred fifty dollars (\$250) to a candidate for the General**
18 **Assembly, or**

19 **2. Five hundred dollars (\$500) to a candidate or slate of candidates for**
20 **statewide constitutional office; and**

21 **(22) "Registered representative" means a volunteer who is permitted to solicit and**
22 **collect campaign finance credits on behalf of a specific participating candidate or**
23 **slate of candidates as provided in Section 14 of this Act.**

24 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
25 READ AS FOLLOWS:

26 **(1) There is created a campaign finance credit fund in the Kentucky Treasury, which**
27 **shall be administered by the registry. Monies appropriated, deposited, or paid into**

1 this fund shall be utilized by the registry to:

2 (a) Provide funds to the election campaigns of participating candidates and
3 slates of candidates in exchange for redeemed campaign finance credits in
4 accordance with Sections 2 to 20 of this Act; and

5 (b) Pay for the administrative and enforcement costs of the registry and other
6 expenses related to the administration of the campaign finance credit
7 program.

8 (2) The sources of revenue to be deposited in the campaign finance credit fund shall
9 include:

10 (a) Campaign finance credit contributions received by a participating candidate
11 or slate of candidates that remain unredeemed after the date of the election
12 for which the campaign finance credit contributions were received;

13 (b) Voluntary donations made directly to the campaign finance credit fund; and

14 (c) Monies appropriated by the General Assembly for the purpose of
15 administering and funding the campaign finance credit program.

16 (3) The total amount of revenue in the campaign finance credit fund shall not exceed
17 twelve million dollars (\$12,000,000). Any amount exceeding the limit shall be
18 transferred to the general fund at the close of the fiscal year

19 (4) Moneys deposited in this fund are hereby appropriated for the purposes set forth
20 in this section and shall not be appropriated or transferred by the General
21 Assembly for any other purposes except as provided by subsection (3) of this
22 section.

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

25 (1) The campaign finance credit program is created and shall be funded by the fund
26 created in Section 2 of this Act.

27 (2) Beginning in February 2019 and in each subsequent year in which elections

1 shall be held for statewide constitutional officers and for members of the General
 2 Assembly, the registry shall:

3 (a) Mail to each person who was registered to vote in Kentucky by December 31
 4 of the previous year, two (2) campaign finance credits valued at fifty dollars
 5 (\$50) each, accompanied by instructions for the assignment of campaign
 6 finance credits and information about the program. The campaign finance
 7 credits shall be mailed to the voter's address as recorded in the voter
 8 registration records.

9 (3) The following shall not be eligible to receive campaign finance credits:

- 10 (a) Persons who are not Kentucky residents;
 11 (b) Persons who are not registered to vote in Kentucky;
 12 (c) Corporations, organizations, and non-human entities;
 13 (d) Committees as defined in of Section 1 of this Act;
 14 (e) Contributing organizations as defined in Section 1 of this Act; and
 15 (f) Persons ineligible to make political contributions under federal or state law.

16 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
 17 READ AS FOLLOWS:

18 (1) Each campaign finance credit shall:

- 19 (a) Include the voter's name, a unique and non-sequential campaign finance
 20 credit identification number provided by the registry, the election year, and
 21 the state offices for which the campaign finance credit is valid;
 22 (b) Provide a space for the voter to assign his or her campaign finance credits
 23 by designating the name of the candidate or slate of candidates and the
 24 office the candidate is seeking;
 25 (c) Require the voter to enter his or her date of birth, as well as any other
 26 identification information required by the registry for verification purposes
 27 that is reasonable and not overly burdensome for the voter to provide;

1 (d) Provide a blank space for the voter to sign and date, as well as provide the
2 following language: "I attest that I am a registered voter and resident of the
3 Commonwealth of Kentucky. I attest that I obtained this campaign finance
4 credit properly and make this assignment freely, voluntarily, and without
5 duress or in exchange for any payment or consideration of any kind, and I
6 am aware that assignment does not guarantee availability of funds and is
7 irrevocable. I understand assignment is complete upon delivery to the
8 Kentucky Registry of Election Finance, the named candidate or slate of
9 candidates, or the candidate's or slate of candidates' registered
10 representative. I understand that sale or transfer for consideration of the
11 campaign finance credit is strictly prohibited. I understand that if I have
12 been approached by any person attempting to collect campaign finance
13 credits on behalf of a participating candidate or slate of candidates that the
14 person shall produce upon request official documentation showing that the
15 person has been certified by the Kentucky Registry of Election Finance as a
16 registered representative of the participating candidate or slate of
17 candidates. I understand that a campaign finance credit may be redeemed
18 only by participating candidates and slates of candidates and only if the
19 candidate or slate of candidates has complied with all applicable campaign
20 finance laws and if funds are available.";

21 (e) A campaign finance credit and any attached instructions shall contain the
22 following statement: "To redeem the campaign finance credit you are
23 assigning, a candidate or slate of candidates shall be or shall become a
24 participating candidate or slate of candidates and shall not become
25 ineligible to redeem the campaign finance credits. You may check on the
26 eligibility status of any candidate or slate of candidates by calling the
27 Kentucky Registry of Election Finance or by visiting its Web site."; and

1 (f) Include a toll-free telephone number designated for the purpose of
2 answering questions or to give information about campaign finance credits,
3 and an address for the registry's Web site detailing current candidate or
4 slate of candidates' eligibility for the campaign finance credit program.

5 (2) The registry shall promulgate administrative regulations to carry out this section.

6 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
7 READ AS FOLLOWS:

8 (1) A campaign finance credit is only transferable or assignable as provided in
9 Sections 2 to 20 of this Act. Only the voter to whom the campaign finance credit
10 was issued by the registry shall assign the campaign finance credit.

11 (2) A voter assigns a campaign finance credit by:

12 (a) Writing the name of the participating candidate or slate of candidates and
13 the office that candidate or slate of candidates is seeking;

14 (b) Signing the campaign finance credit form by hand;

15 (c) Providing all the verification information required by Section 4 of this Act
16 and the administrative regulations promulgated by the registry;

17 (d) Dating the campaign finance credit where indicated; and

18 (e) Delivering the campaign finance credit to the registry, the candidate or slate
19 of candidates, or to the registered representative of any candidate or slate of
20 candidates. Delivery may be by mail or in person.

21 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
22 READ AS FOLLOWS:

23 (1) Notwithstanding KRS 61.870 to 61.884, or subsection (2) of this section, the
24 name, address, and any other information that reveals the identity of a voter who
25 is issued or assigns a campaign finance credit shall not be disclosed to the public
26 and shall be kept confidential by the registry and any other entities involved in
27 the implementation of the program.

1 (2) Information that does not identify a voter and that is descriptive of the general or
2 specific functioning of the program, such as the number of campaign finance
3 credits assigned to and redeemed by all or specific candidates or slates of
4 candidates, is subject to public disclosure.

5 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
6 READ AS FOLLOWS:

7 (1) A voter shall only assign a campaign finance credit to a candidate or slate of
8 candidates who has been certified as a participating candidate or slate of
9 candidates by the registry.

10 (2) No campaign finance credit shall be assigned after the day of the regular election
11 in the year in which the campaign finance credit was issued, or to any candidate
12 or slate of candidates who has not yet been certified as a participating candidate
13 or slate of candidates, does not retain status as a participating candidate or slate
14 of candidates, or becomes unqualified for the office sought.

15 (3) A candidate or slate of candidates or registered representative of a candidate or
16 slate of candidates may seek assignment of campaign finance credits in person or
17 by mail, including providing to voters prepaid and preaddressed envelopes which
18 may be used for delivery of a voter's assigned campaign finance credits.

19 (4) A valid assignment of a campaign finance credit is irrevocable. A voter may
20 assign more than one (1) campaign finance credit to the same candidate or slate
21 of candidates in the same year.

22 (5) Assignment or transfer of campaign finance credits for cash or any other
23 consideration or offering to purchase or sell a campaign finance credit is
24 prohibited. Offering to purchase or sell a campaign finance credit is a Class B
25 misdemeanor.

26 (6) A voter shall not give a campaign finance credit to another person, except by
27 assigning it to a candidate or slate of candidates under Sections 2 to 20 of this

1 Act. A campaign finance credit has no cash value and is not an asset or income,
 2 nor is it the property of the holder. A campaign finance credit shall not be
 3 assigned by proxy, power of attorney, or by an agent.

4 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
 5 READ AS FOLLOWS:

6 (1) A campaign finance credit shall become null and void if the holder of the credit is
 7 not:

8 (a) A registered voter and resident of the Commonwealth; or

9 (b) Eligible to make political contributions under state or federal law.

10 (2) The holder of a campaign finance credit assumes the risk that he or she may
 11 change his or her mind after assignment of campaign finance credits, or that the
 12 campaign finance credit may not have practical use or may not be redeemed due
 13 to any contingency, including:

14 (a) The unavailability of funds;

15 (b) Ineligibility of the candidate or slate of candidates to redeem campaign
 16 finance credits for reasons including but not limited to:

17 1. The candidate or slate of candidates reach the applicable redemption
 18 limits under Section 17 or 18 of this Act;

19 2. The death, disqualification, withdrawal, or failure to redeem or use
 20 the campaign finance credit of a candidate or member of a slate of
 21 candidates; or

22 3. Factors determined by administrative regulation promulgated by the
 23 registry.

24 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
 25 READ AS FOLLOWS:

26 (1) Only a candidate or slate of candidates who has filed with the registry for
 27 participation in the campaign finance credit program shall receive an assignment

1 of campaign finance credits. Only a candidate or slate of candidates certified as a
2 participating candidate or slate of candidates by the registry shall redeem a
3 campaign finance credit.

4 (2) (a) A candidate eligible for and seeking office in the General Assembly is
5 eligible for participation in the program beginning in 2020.

6 (b) A candidate or slate of candidates eligible for and seeking statewide
7 constitutional office in the Commonwealth of Kentucky is eligible to
8 participate in the program beginning in 2019.

9 (3) The registry shall determine through the promulgation of administrative
10 regulations criteria by which candidates in special elections may participate in
11 the program.

12 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
13 READ AS FOLLOWS:

14 (1) To be certified by the registry as a participating candidate in the program, a
15 candidate or slate of candidates seeking election to statewide constitutional office
16 or the General Assembly shall file with the registry no earlier than the first
17 Wednesday after the first Monday in November of the year preceding the year the
18 office will appear on the ballot and no later than the last Tuesday in January
19 preceding the day fixed by law for holding the election, a sworn statement in a
20 format provided by the registry:

21 (a) Attesting to the candidate's or slate of candidates' intent to participate in the
22 program;

23 (b) Attesting that the candidate or slate of candidates shall timely file or has
24 filed a declaration of candidacy for the office or offices indicated; and

25 (c) That the candidate or slate of candidates shall comply with the
26 requirements of the program and applicable campaign finance statutes.

27 (2) A candidate or slate of candidates participating in the program shall not:

1 (a) Expend, contribute, or lend to the campaign committee for a candidate for
2 statewide constitutional office or to the campaign committee of a slate of
3 candidates, personal funds in excess of two thousand dollars (\$2,000);

4 (b) Expend, contribute, or lend to the campaign committee of a candidate for
5 General Assembly personal funds in excess of one thousand dollars
6 (\$1,000);

7 (c) Solicit, accept, direct, or otherwise coordinate receipt of or the spending of
8 funds in connection with the candidate's or slate of candidates' election
9 other than campaign finance credits and qualified contributions; and

10 (d) Make contributions using funds received through redemption of campaign
11 finance credits to another political committee or to a political party as
12 defined in Section 1 of this Act

13 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
14 READ AS FOLLOWS:

15 To obtain certification from the registry as a participating candidate or slate of
16 candidates eligible to solicit, accept, and redeem campaign finance credits, a candidate
17 or slate of candidates for statewide constitutional office or the General Assembly shall
18 attest to the registry using a form prescribed by the registry:

19 (1) That the candidate or slate of candidates has not spent any funds intended for an
20 upcoming election that were raised from contributions other than qualified
21 contributions; and

22 (2) That the candidate or slate of candidates has received the following number of
23 qualified contributions of at least ten dollars (\$10) each, each contributed by a
24 separate person, as well as the signature, legibly printed full name, and address
25 of the person making each qualified contribution:

26 (a) At least twenty-five (25) for candidates for either house of the General
27 Assembly;

1 **(b) At least one hundred (100) for candidates for statewide constitutional**
2 **office; and**

3 **(c) At least two hundred (200) for slates of candidates for Governor and**
4 **Lieutenant Governor.**

5 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
6 READ AS FOLLOWS:

7 **A candidate or slate of candidates shall lose status as a participating candidate or slate**
8 **of candidates by publicly announcing withdrawal, abandoning the race, or if the**
9 **registry finds sufficient material violations of election laws or program requirements,**
10 **including but not limited to violations of contribution limits or fraudulent or attempted**
11 **fraudulent assignment of campaign finance credits.**

12 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
13 READ AS FOLLOWS:

14 **The registry shall maintain an interactive, easily searchable list of current**
15 **participating candidates and slates of candidates, sortable by name, office sought,**
16 **district, and party, and make it readily accessible to the public, including by publishing**
17 **it in a publication of broad circulation, such as a newspaper that is distributed**
18 **statewide, and on the registry's Web site. This list shall be designed to facilitate viewing**
19 **on the full range of Internet devices, including mobile devices.**

20 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
21 READ AS FOLLOWS:

22 **(1) A registered representative is permitted to solicit and collect campaign finance**
23 **credits that have been properly assigned to the participating candidate or slate of**
24 **candidates of whom the person is a registered representative.**

25 **(2) Only a volunteer shall become a registered representative of a participating**
26 **candidate or slate of candidates, and no person shall be compensated to solicit**
27 **and collect campaign finance credits as a registered representative.**

1 (3) To become a registered representative of a participating candidate or slate of
2 candidates, a person shall attest to and file with the registry on a form provided
3 by the registry, that he or she has read the administrative regulations and
4 penalties associated with the program. The registry shall provide to any person
5 who successfully becomes a registered representative a standardized and
6 personalized form of photo identification which can be carried upon his or her
7 person and shall confirm his or her registered representative status. A registered
8 representative shall carry this documentation on his or her person when
9 soliciting or collecting campaign finance credits, and present it upon request to
10 persons from whom the registered representative is soliciting and accepting
11 campaign finance credits.

12 (4) The following shall not be considered soliciting or accepting a campaign finance
13 credit:

14 (a) Discussing campaign finance credits or the program;

15 (b) Suggesting that another person may or should assign a campaign finance
16 credit to a certain participating candidate or slate of candidates;

17 (c) Assisting another person with learning about the program or the proper
18 method to assign campaign finance credits; or

19 (d) Any other speech or discussion about campaign finance credits or the
20 program that does not involve or relate to any coercion as well as any gift,
21 advance, distribution, deposit, or payment of money or any other valuable
22 consideration.

23 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
24 READ AS FOLLOWS:

25 The treasurer of a candidate's or slate of candidates' campaign committee shall make
26 and keep copies of all campaign finance credits received. The registry through the
27 promulgation of administrative regulations shall establish the manner in which

1 participating candidates or slates of candidates, candidate's or slates of candidates'
2 campaign committees, treasurers, and registered representatives may send or deliver to
3 the registry an actual campaign finance credit assigned to and received by the
4 candidate or slate of candidates.

5 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
6 READ AS FOLLOWS:

7 (1) The registry shall redeem a campaign finance credit only after verifying:

8 (a) That the campaign finance credit was assigned to a participating candidate
9 or slate of candidates; and

10 (b) That the campaign finance credit was assigned to the voter to whom it was
11 issued by checking the voter's signature and date of birth.

12 (2) The Secretary of State and each county clerk shall give the registry access to the
13 voter registration lists and other information necessary for the purposes of
14 verification.

15 (3) The registry shall verify assigned campaign finance credits immediately upon
16 receipt.

17 (4) The registry shall redeem a campaign finance credit within three (3) business
18 days of verification by transferring fifty dollars (\$50) from the campaign finance
19 credit fund to the campaign committee of the participating candidate or slate of
20 candidates who redeems the campaign finance credit. A campaign finance credit
21 shall not be redeemed by any candidate or slate of candidates other than the one
22 to whom it was assigned by the original holder of the issued campaign finance
23 credit.

24 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
25 READ AS FOLLOWS:

26 A participating candidate or slate of candidates shall receive no more than the
27 following amounts in campaign finance credits:

1 (1) Fifteen thousand dollars (\$15,000) for a candidate for either house of the
 2 General Assembly;

3 (2) One hundred thousand dollars (\$100,000) for a candidate for a statewide
 4 constitutional office; and

5 (3) One million dollars (\$1,000,000) for a slate of candidates for Governor and
 6 Lieutenant Governor.

7 ➔SECTION 18. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
 8 READ AS FOLLOWS:

9 A participating candidate or slate of candidates running for the following public office
 10 categories shall not be eligible to further redeem campaign finance credits if the total
 11 amount redeemed for all candidates or slates of candidates for the same public office
 12 category reaches the following amounts:

13 (1) Six million dollars (\$6,000,000) for all candidates for the General Assembly;

14 (2) Two million dollars (\$2,000,000) for all candidates for statewide constitutional
 15 offices; and

16 (3) Four million dollars (\$4,000,000) for all slates of candidates for Governor and
 17 Lieutenant Governor.

18 ➔SECTION 19. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
 19 READ AS FOLLOWS:

20 (1) Participating candidates and slates of candidates shall use campaign finance
 21 credits solely for campaign costs or debts for the office currently being sought in
 22 the specified election cycle.

23 (2) Participating candidates and slates of candidates shall not use campaign finance
 24 credits after December 31 of the year of the election to pay campaign debts.

25 (3) No participating candidate or slate of candidates shall use campaign finance
 26 credit proceeds for any cash payments:

27 (a) In violation of any federal or state law;

- 1 **(b) To pay the candidate or slate of candidates;**
2 **(c) To pay any entity in which the candidate or slate of candidates or an**
3 **immediate member of the candidate's or slate of candidates' family holds**
4 **any ownership interest of ten percent (10%) or more;**
5 **(d) To pay more than fair market value for any services, goods, facilities, or**
6 **other items of value;**
7 **(e) To pay a penalty or fine; or**
8 **(f) To pay any post-election costs accumulated if the participating candidate is**
9 **a successful candidate or slate of candidates and has taken office.**

10 ➔SECTION 20. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
11 READ AS FOLLOWS:

12 **Any participating candidate or slate of candidates who has redeemed campaign**
13 **finance credits, then withdraws from the campaign, dies, becomes ineligible, loses**
14 **status as a participating candidate or slate of candidates, is defeated in a primary, is**
15 **defeated in a special election, or is defeated in or wins a regular election shall within a**
16 **reasonable period set by the registry through the promulgation of administrative**
17 **regulations, pay all debts and obligations, account and restore to the registry and the**
18 **program any unspent campaign finance credits. The registry shall define the term**
19 **"unspent campaign finance credits" through the promulgation of administrative**
20 **regulations.**