

1 AN ACT relating to executive branch ethics.

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

3 ➔SECTION 1. A NEW SECTION OF KRS 6.601 TO 6.849 IS CREATED TO
4 READ AS FOLLOWS:

5 ***If a provision of KRS 6.601 to 6.849 is designated as a misdemeanor or a felony, an***
6 ***alleged violation of the provision may be adjudicated by the commission as ethical***
7 ***misconduct.***

8 ➔Section 2. KRS 6.686 is amended to read as follows:

- 9 (1) (a) The commission shall have jurisdiction to investigate and proceed as to any
10 violation of this code upon the filing of a complaint. The complaint shall be a
11 written statement alleging a violation against one (1) or more named persons
12 and stating the essential facts constituting the violation charged. The
13 complaint shall be made under oath and signed by the complaining party
14 before a person who is legally empowered to administer oaths. The
15 commission shall have no jurisdiction in **the** absence of a complaint. A
16 member of the commission may file a complaint.
- 17 (b) Within ten (10) days of the filing of a complaint, the commission shall cause a
18 copy of the complaint to be served by certified mail upon the person alleged to
19 have committed the violation.
- 20 (c) Within twenty (20) days of service of the complaint the person alleged to have
21 committed the violation may file an answer with the commission. The filing
22 of an answer is wholly permissive, and no inferences shall be drawn from the
23 failure to file an answer.
- 24 (d) Not later than ten (10) days after the commission receives the answer, or the
25 time expires for the filing of an answer, the commission shall initiate a
26 preliminary inquiry into any alleged violation of this code. If the commission
27 determines **upon the affirmative vote of at least five (5) members, at either a**

1 regularly scheduled meeting, or a teleconference meeting called upon the
2 chair's oral or written notice to all members of the commission, that the
3 complaint fails to state a claim of an ethics violation, the complaint shall be
4 dismissed.

5 (e) Within thirty (30) days of the commencement of the inquiry, the commission
6 shall give notice of the status of the complaint and a general statement of the
7 applicable law to the person alleged to have committed a violation.

8 (f) A complaint may be filed against a former legislator, a former legislative
9 agent, or a former employer of a legislative agent within one (1) year of the
10 date he or she left office or terminated lobbying registration. The one (1)
11 year limitation shall not apply if a complaint alleges a violation of KRS
12 6.757.

13 (g) The applicable criminal statutes of limitation shall not apply to ethical
14 misconduct under KRS 6.601 to 6.849.

15 (2) All commission proceedings, including the complaint and answer and other records
16 relating to a preliminary inquiry, shall be confidential ~~until a final determination is~~
17 ~~made by the commission~~, except:

18 (a) The commission may turn over to the Attorney General, the United States
19 Attorney, Commonwealth's attorney, or county attorney of the jurisdiction in
20 which the offense allegedly occurred, evidence which may be used in criminal
21 proceedings; and

22 (b) If the complainant or alleged violator publicly discloses the existence of a
23 preliminary inquiry, the commission may publicly confirm the existence of the
24 inquiry and, in its discretion, make public any documents which were issued
25 to either party.

26 (3) The commission shall afford a person who is the subject of a preliminary inquiry an
27 opportunity to appear in response to the allegations in the complaint. The person

1 shall have the right to be represented by counsel, to appear and be heard under oath,
2 and to offer evidence in response to the allegations in the complaint.

3 (4) If the commission determines by the answer or in the preliminary inquiry that the
4 complaint does not allege facts sufficient to constitute a violation of this code, the
5 commission shall immediately terminate the matter and notify in writing the
6 complainant and the person alleged to have committed a violation. The commission
7 may confidentially inform the alleged violator of potential violations and provide
8 information to ensure future compliance with the law. If the alleged violator
9 publicly discloses the existence of such action by the commission, the commission
10 may confirm the existence of the action and, in its discretion, make public any
11 documents that were issued to the alleged violator.

12 (5) If the commission, during the course of the preliminary inquiry, finds probable
13 cause to believe that a violation of this code has occurred, the commission shall
14 notify the alleged violator of the finding, and the commission may, upon majority
15 vote:

16 (a) Due to mitigating circumstances such as lack of significant economic
17 advantage or gain by the alleged violator, lack of significant economic loss to
18 the state, or lack of significant impact on public confidence in government,
19 confidentially reprimand, in writing, the alleged violator for potential
20 violations of the law and provide a copy of the reprimand to the presiding
21 officer of the house in which the alleged violator serves, or the alleged
22 violator's employer, if the alleged violator is a legislative agent. The
23 proceedings leading to a confidential reprimand and the reprimand itself shall
24 remain confidential except that, if the alleged violator publicly discloses the
25 existence of such an action, the commission may confirm the existence of the
26 action and, in its discretion, make public any documents which were issued to
27 the alleged violator; or

1 (b) Initiate an adjudicatory proceeding to determine whether there has been a
2 violation.

3 (6) Any person who knowingly files with the commission a false complaint of
4 misconduct on the part of any legislator or other person shall be guilty of a Class A
5 misdemeanor.

6 **(7) Notwithstanding any other provision of KRS 61.805 to 61.850 or 61.870 to**
7 **61.884, proceedings conducted and documents created by the commission or the**
8 **Legislative Research Commission under or related to this section shall be**
9 **confidential.**

10 ➔Section 3. KRS 6.701 is amended to read as follows:

11 (1) The commission shall establish and supervise a program of ethics education and
12 training, including~~[-]~~ but not limited to:~~[-]~~

13 **(a)** Preparing and publishing an ethics education manual;~~[-]~~

14 **(b)** Designing and supervising orientation courses for new legislators;~~[-]~~ and

15 **(c)** Designing and supervising current issues seminars for legislators **and**
16 **employees of the legislative branch of state government.**

17 (2) The commission shall establish, supervise, and conduct a program of ethics
18 education and training designed specifically for and made available to legislative
19 agents.

20 ➔Section 4. KRS 6.711 is amended to read as follows:

21 (1) The commission shall design the general curriculum of orientation courses, which
22 shall include but not be limited to explanations and discussions of the ethics laws,
23 administrative regulations, relevant internal policies, specific technical and legal
24 requirements, summaries of advisory opinions, underlying purposes and principles
25 of ethics laws, examples of practical application of the laws and principles, and a
26 question-and-answer participatory segment regarding common problems and
27 situations. The commission shall prepare the methods and materials necessary to

1 implement the curriculum.

2 (2) The commission shall:

3 (a) Administer the orientation courses for legislators;

4 (b) Designate instructors to conduct their courses who shall be trained by the
5 commission; and

6 (c) Notify legislators regarding attendance in these courses.

7 (3) The orientation courses shall be conducted for new legislators in December of each
8 even-numbered year. Each course shall be at least two (2) hours in length and shall
9 be designed for approval by the Kentucky Bar Association for continuing legal
10 education~~[ethics]~~ credits which the bar association may require.

11 (4) To facilitate participant interaction, those portions of the courses dedicated to group
12 participation may be closed to the public.

13 (5) Each legislator shall complete the initial orientation course offered under this
14 section. Each legislator elected after the initial orientation course shall complete the
15 next orientation course conducted. The commission may grant permission for a
16 legislator to attend a later course for good cause shown.

17 ➔Section 5. KRS 6.716 is amended to read as follows:

18 (1) The commission shall design the general curriculum of a current issues seminar,
19 which shall include, but not be limited to, discussion of changes in the ethics laws
20 and administrative regulations, new advisory opinions, current ethical issues
21 confronting public servants, practical application of ethics laws and principles to
22 specific issues and situations, and development of problem-solving skills. The
23 commission shall prepare the methods and materials necessary to implement the
24 curriculum.

25 (2) The commission shall:

26 (a) Administer the current issues seminars for legislators and training for
27 employees of the legislative branch of state government;

- 1 (b) Designate instructors to conduct their current issues courses who shall be
2 trained by the commission; and
- 3 (c) Notify legislators regarding attendance in these seminars.
- 4 (3) The current issues seminars for legislators shall be conducted in January of each
5 year. Each course shall be at least two (2)~~three (3)~~ hours in length and shall be
6 designed for approval by the Kentucky Bar Association for continuing legal
7 education ethics credits which the bar association may require.
- 8 (4) To facilitate participant interaction, those portions of the seminars dedicated to
9 group participation may be closed to the public.
- 10 (5) Each legislator, after completion of an orientation training course, shall complete
11 one (1) current issues seminar annually.

12 ➔Section 6. KRS 7.101 is amended to read as follows:

13 The Legislative Research Commission shall require all members of the General Assembly
14 to attend a sexual and workplace harassment training course to be held at the beginning of
15 each session of the General Assembly. *The Legislative Research Commission shall*
16 *coordinate the development and presentation of the training course, with assistance of*
17 *the Legislative Ethics Commission.*

18 ➔Section 7. KRS 11A.010 is amended to read as follows:

19 As used in this chapter, unless the context otherwise requires:

- 20 (1) "Business" means any corporation, limited liability company, partnership, limited
21 partnership, sole proprietorship, firm, enterprise, franchise, association,
22 organization, self-employed individual, holding company, joint stock company,
23 receivership, trust, or any legal entity through which business is conducted, whether
24 or not for profit;
- 25 (2) "Commission" means the Executive Branch Ethics Commission;
- 26 (3) "Compensation" means any money, thing of value, or economic benefit conferred
27 on, or received by, any person in return for services rendered, or to be rendered, by

1 himself or another;

2 (4) "Family" means spouse and children, as well as a person who is related to a public
3 servant as any of the following, whether by blood or adoption: parent, brother,
4 sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-
5 in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter,
6 stepbrother, stepsister, half brother, half sister;

7 (5) "Gift" means a payment, loan, subscription, advance, deposit of money, services, or
8 anything of value, unless consideration of equal or greater value is received; "gift"
9 does not include gifts from family members, campaign contributions, the waiver of
10 a registration fee for a presenter at a conference or training described in KRS
11 45A.097(5), or door prizes available to the public;

12 (6) "Income" means any money or thing of value received or to be received as a claim
13 on future services, whether in the form of a fee, salary, expense allowance,
14 forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other
15 form of compensation or any combination thereof;

16 (7) "Officer" means:

17 (a) All major management personnel in the executive branch of state government,
18 including the secretary of the cabinet, the Governor's chief executive officers,
19 cabinet secretaries, deputy cabinet secretaries, general counsels,
20 commissioners, deputy commissioners, executive directors, executive
21 assistants, policy advisors, special assistants, administrative coordinators,
22 executive advisors, staff assistants, and division directors;

23 (b) Members and full-time chief administrative officers of:

- 24 1. The Parole Board;
- 25 2. Kentucky Claims Commission;
- 26 3. Kentucky Retirement Systems board of trustees;
- 27 4. Kentucky Teachers' Retirement System board of trustees;

- 1 5. The Kentucky Public Employees Deferred Compensation Authority
- 2 board of trustees;
- 3 6. Public Service Commission;
- 4 7. Worker's Compensation Board and its administrative law judges;
- 5 8. The Kentucky Occupational Safety and Health Review Commission;
- 6 9. The Kentucky Board of Education; and
- 7 10. The Council on Postsecondary Education;
- 8 (c) Salaried members of executive branch boards and commissions; and
- 9 (d) Any person who, through a personal service contract or any other contractual
- 10 employment arrangement with an agency, performs on a full-time,
- 11 nonseasonal basis a function of any major management position listed in this
- 12 subsection;
- 13 (8) "Official duty" means any responsibility imposed on a public servant by virtue of
- 14 his or her position in the state service;
- 15 (9) "Public servant" means:
- 16 (a) The Governor;
- 17 (b) The Lieutenant Governor;
- 18 (c) The Secretary of State;
- 19 (d) The Attorney General;
- 20 (e) The Treasurer;
- 21 (f) The Commissioner of Agriculture;
- 22 (g) The Auditor of Public Accounts;
- 23 (h) All employees in the executive branch including officers as defined in
- 24 subsection (7) of this section and merit employees; and
- 25 (i) Any person who, through any contractual arrangement with an agency, is
- 26 employed to perform a function of a position within an executive branch
- 27 agency on a full-time, nonseasonal basis;

- 1 (10) "Agency" means every state office, cabinet, department, board, commission, public
2 corporation, or authority in the executive branch of state government. A public
3 servant is employed by the agency by which his or her appointing authority is
4 employed, unless his or her agency is attached to the appointing authority's agency
5 for administrative purposes only, or unless the agency's characteristics are of a
6 separate independent nature distinct from the appointing authority and it is
7 considered an agency on its own, such as an independent department;
- 8 (11) "Lobbyist" means any person employed as a legislative agent as defined in KRS
9 6.611(23) or any person employed as an executive agency lobbyist as defined in
10 KRS 11A.201~~(8)~~(9);
- 11 (12) "Lobbyist's principal" means the entity in whose behalf the lobbyist promotes,
12 opposes, or acts;
- 13 (13) "Candidate" means those persons who have officially filed candidacy papers or who
14 have been nominated by their political party pursuant to KRS 118.105, 118.115,
15 118.325, or 118.760 for any of the offices enumerated in subsections (9)(a) to (g) of
16 this section;
- 17 (14) "Does business with" or "doing business with" means contracting, entering into an
18 agreement, leasing, or otherwise exchanging services or goods with a state agency
19 in return for payment by the state, including accepting a grant, but not including
20 accepting a state entitlement fund disbursement;
- 21 (15) "Public agency" means any governmental entity;
- 22 (16) "Appointing authority" means the agency head or any person whom he or she has
23 authorized by law to act on behalf of the agency with respect to employee
24 appointments;
- 25 (17) "Represent" means to attend an agency proceeding, write a letter, or communicate
26 with an employee of an agency on behalf of someone else;
- 27 (18) "Directly involved" means to work on personally or to supervise someone who

1 works on personally;

2 (19) "Sporting event" means any professional or amateur sport, athletic game, contest,
3 event, or race involving machines, persons, or animals, for which admission tickets
4 are offered for sale and that is viewed by the public;

5 (20) "Person" means an individual, proprietorship, firm, partnership, limited partnership,
6 joint venture, joint stock company, syndicate, business or statutory trust, donative
7 trust, estate, company, corporation, limited liability company, association, club,
8 committee, organization, or group of persons acting in concert; and

9 (21) "Salaried" means receiving a fixed compensation or benefit reserved for full-time
10 employees, which is paid on a regular basis without regard to the actual number of
11 hours worked.

12 ➔Section 8. KRS 11A.201 is amended to read as follows:

13 As used in KRS 11A.201 to 11A.246 and KRS 11A.990:

14 (1) "Compensation" means any money, thing of value, or economic benefit conferred
15 on, or received by, any person in return for services rendered, or to be rendered, by
16 himself or another;

17 (2) (a) "Expenditure" means any of the following that is made to, or for the benefit of
18 an elected executive official, the secretary of a cabinet listed in KRS 12.250,
19 an executive agency official, or a member of the staff of any of the officials
20 listed in this paragraph:

- 21 1. A payment, distribution, loan, advance, deposit, reimbursement, or gift
22 of money, real estate, or anything of value, including, but not limited to,
23 food and beverages, entertainment, lodging, transportation, or honoraria;
- 24 2. A contract, promise, or agreement to make an expenditure; or
- 25 3. The purchase, sale, or gift of services or any other thing of value.

26 (b) "Expenditure" does not include a contribution, gift, or grant to a foundation or
27 other charitable organization that is exempt from federal income taxation

1 under Section 501(c)(3) of the Internal Revenue Code. "Expenditure" does not
2 include the purchase, sale, or gift of services or any other thing of value that is
3 available to the general public on the same terms as it is available to the
4 persons listed in this subsection. "Expenditure" does not include a payment,
5 contribution, gift, purchase, or any other thing of value that is made to or on
6 behalf of any elected executive official, the secretary of a cabinet listed in
7 KRS 12.250, an executive agency official, or any member of the staff of any
8 of the officials listed in this paragraph who works for a state agency for which
9 the executive agency lobbyist is not registered to influence;

10 (3) "Employer" means any person who engages an executive agency lobbyist;

11 (4) "Engage" means to make any arrangement, and "engagement" means arrangement,
12 whereby an individual is employed or retained for compensation to act for or on
13 behalf of an employer to influence executive agency decisions or to conduct any
14 executive agency lobbying activity;

15 (5) "Financial impact" means to have an effect on the financial position of the
16 employer of the executive agency lobbyist or the real party in interest whether or
17 not the impact is positive or negative;

18 (6) (a) "Financial transaction" means a transaction or activity that is conducted or
19 undertaken for profit and arises from the joint ownership, or the ownership, or
20 part ownership in common of any real or personal property or any commercial
21 or business enterprise of whatever form or nature between the following:

- 22 1. An executive agency lobbyist, his or her employer, a real party in
23 interest, or a member of the immediate family of the executive agency
24 lobbyist, his or her employer, or a real party in interest; and
- 25 2. Any elected executive official, the secretary of a cabinet listed in KRS
26 12.250, an executive agency official, or any member of the staff of any
27 of the officials listed in this subparagraph.

1 (b) "Financial transaction" does not include any transaction or activity described
 2 in paragraph (a) of this subsection if it is available to the general public on the
 3 same terms;

4 ~~(7)~~~~(6)~~ "Executive agency" means the office of an elected executive official, a cabinet
 5 listed in KRS 12.250, or any other state agency, department, board, or commission
 6 controlled or directed by an elected executive official or otherwise subject to his or
 7 her authority. "Executive agency" does not include any court or the General
 8 Assembly;

9 ~~(8)~~~~(7)~~ "Executive agency decision" means a decision of an executive agency
 10 regarding the expenditure of funds of the state or of an executive agency with
 11 respect to the award of a contract, grant, lease, or other financial arrangement under
 12 which those funds are distributed or allocated. This shall also include decisions
 13 made concerning:

- 14 (a) The parameters of requests for information, ~~and~~ requests for proposals, **and**
 15 **other forms of solicitation in KRS Chapter 45A or 176;**
 16 (b) Drafting, adopting, or implementing a budget provision;
 17 (c) Administrative regulations or rules;
 18 (d) An executive order; **or**
 19 (e) Legislation or amendments thereto; ~~or~~
 20 ~~(f) Other public policy decisions;~~

21 ~~(9)~~~~(8)~~ (a) "Executive agency lobbyist" means any person engaged to influence
 22 executive agency decisions or to conduct executive agency lobbying activity
 23 as one (1) of his or her main purposes regarding a substantial issue, including
 24 associations, coalitions, or public interest entities formed for the purpose of
 25 promoting or otherwise influencing executive agency decisions. The term
 26 "executive agency lobbyist" shall also include placement agents and
 27 unregulated placement agents.

1 (b) "Executive agency lobbyist" does not include an elected or appointed officer
2 or employee of a federal or state agency, state college, state university, or
3 political subdivision who attempts to influence or affect executive agency
4 decisions in his or her fiduciary capacity as a representative of his or her
5 agency, college, university, or political subdivision;

6 ~~(10)~~~~(9)~~ (a) "Executive agency lobbying activity" means contacts made to promote,
7 advocate, or oppose the passage, modification, defeat, or executive approval
8 or veto of any legislation or otherwise influence the outcome of an executive
9 agency decision by direct communication with an elected executive official,
10 the secretary of any cabinet listed in KRS 12.250, any executive agency
11 official whether in the classified service or not, or a member of the staff of any
12 one of the officials listed in this paragraph.

13 (b) "Executive agency lobbying activity" does not include any of the following:

- 14 1. The action of any person having a direct interest in executive agency
15 decisions, if the person acting under Section 1 of the Kentucky
16 Constitution, assembles together with other persons for their common
17 good, petitions any person listed in paragraph (a) of this subsection for
18 the redress of grievances or other proper purposes;
- 19 2. Contacts made for the sole purpose of gathering information contained
20 in a public record;
- 21 3. Appearances before public meetings of executive agencies;
- 22 4. News, editorial, and advertising statements published in newspapers,
23 journals, or magazines, or broadcast over radio or television;
- 24 5. The gathering and furnishing of information and news by bona fide
25 reporters, correspondents, or news bureaus to news media described in
26 subparagraph 4. of this paragraph;
- 27 6. Publications primarily designed for, and distributed to, members of bona

1 fide associations or charitable or fraternal nonprofit corporations;

2 7. Professional services in preparing executive agency decisions, preparing
3 arguments regarding executive agency decisions, or in advising clients
4 and rendering opinions regarding proposed or pending executive agency
5 decisions, if the services are not otherwise connected to lobbying; or

6 8. Public comments submitted to an executive agency during the public
7 comment period on administrative regulations or rules;

8 ~~(11)~~~~(10)~~ "Executive agency official" means an officer or employee of an executive
9 agency whose principal duties are to formulate policy or to participate directly or
10 indirectly in the preparation, review, or award of contracts, grants, leases, or other
11 financial arrangements with an executive agency;

12 ~~(12)~~~~(11)~~ "Aggrieved party" means a party entitled to resort to a remedy;

13 ~~(13)~~~~(12)~~ "Elected executive official" means the Governor, Lieutenant Governor,
14 Secretary of State, Auditor of Public Accounts, State Treasurer, Attorney General,
15 and Commissioner of Agriculture;

16 ~~(14)~~~~(13)~~ "Person" means an individual, proprietorship, firm, partnership, limited
17 partnership, joint venture, joint stock company, syndicate, business or statutory
18 trust, donative trust, estate, company, corporation, limited liability company,
19 association, club, committee, organization, or group of persons acting in concert;

20 ~~(15)~~~~(14)~~ "Staff" means any employee of the office of the Governor, or a cabinet listed
21 in KRS 12.250, whose official duties are to formulate policy and who exercises
22 administrative or supervisory authority, or who authorizes the expenditure of state
23 funds;

24 ~~(16)~~~~(15)~~ "Real party in interest" means the person or entity on whose behalf an
25 executive agency lobbyist is acting, if that person or entity is not the employer of the
26 executive agency lobbyist;

27 ~~(17)~~~~(16)~~ "Substantial issue" means contacts which are intended to influence a decision

1 that involves one or more disbursements of state funds in an amount of at least five
2 thousand dollars (\$5,000) per year, or any budget provision, administrative
3 regulation or rule, or legislative matter~~[, or other public policy matter]~~ that
4 financially impacts the executive agency lobbyist or his or her employer;

5 (18)~~[(17)]~~ "Placement agent" means an individual or firm who is compensated or hired
6 by an employer or other real party in interest for the purpose of influencing an
7 executive agency decision regarding the investment of the Kentucky Retirement
8 Systems or the Kentucky Teachers' Retirement System assets; and

9 (19)~~[(18)]~~ "Unregulated placement agent" means a placement agent who is prohibited by
10 federal securities laws and regulations promulgated thereunder from receiving
11 compensation for soliciting a government agency.

12 ➔Section 9. KRS 11A.211 is amended to read as follows:

13 (1) Each executive agency lobbyist, employer, and real party in interest shall file with
14 the commission within ten (10) days following the engagement of an executive
15 agency lobbyist, an initial registration statement showing all of the following:

16 (a) The name, business address, and occupation of the executive agency lobbyist;
17 (b) The name and business address of the employer and of any real party in
18 interest on whose behalf the executive agency lobbyist is acting, if it is
19 different from the employer. However, if a trade association or other
20 charitable or fraternal organization that is exempt from federal income
21 taxation under Section 501(c) of the Internal Revenue Code is the employer,
22 the statement need not list the names and addresses of every member of the
23 association or organization, so long as the association or organization itself is
24 listed;

25 (c) A brief description of the executive agency decision to which the engagement
26 relates;

27 (d) The name of the executive agency or agencies to which the engagement

1 relates;

2 (e) Certification by the employer and executive agency lobbyist that the
3 information contained in the registration statement is complete and accurate;

4 (f) Compensation paid to, or received by, each executive agency lobbyist, ~~by~~
5 ~~each~~ employer, and real party in interest as part of the engagement; and

6 (g) Certification that the employer and agent have complied with KRS 11A.236.

7 (2) In addition to the initial registration statement required by subsection (1) of this
8 section, each executive agency lobbyist, employer, and real party in interest shall
9 file with the commission, not later than the last day of July of each year, an updated
10 registration statement that confirms the continuing existence of each engagement
11 described in an initial registration statement, that lists the specific executive agency
12 decisions the executive agency lobbyist sought to influence under the engagement
13 during the period covered by the updated statement, and the compensation paid to,
14 or received by, each executive agency lobbyist, ~~by each~~ employer, and real party
15 in interest as part of the engagement, and with it any statement of expenditures
16 required to be filed by KRS 11A.216 and any details of financial transaction
17 required to be filed by KRS 11A.221.

18 (3) Compensation paid under subsection (1)(f) of this section shall be reported after
19 it is received by, or paid to, each executive agency lobbyist, employer, and real
20 party in interest as determined by the terms of the engagement, and shall be listed
21 by the amount paid or received, the intervals on which the payment is paid or
22 received, and shall include any other compensation received or paid as part of the
23 engagement.

24 ~~(4)~~⁽³⁾ If an executive agency lobbyist is engaged by more than one (1) employer, the
25 executive agency lobbyist shall file a separate initial and updated registration
26 statement for each engagement and list compensation paid to, or received by each
27 ~~the~~ executive agency lobbyist, ~~by each~~ employer, and real party in interest as

1 part of the engagement. If an employer engages more than one (1) executive
2 agency lobbyist, the employer shall file only one (1) updated registration statement
3 under subsection (2) of this section, which shall contain the information required by
4 subsection (2) of this section regarding all executive agency lobbyists engaged by
5 the employer.

6 ~~(5)~~~~(4)~~ (a) A change in any information required by subsection (1)(a), (b), (c), (d),
7 or (2) of this section shall be reflected in the next updated registration
8 statement filed under subsection (2) of this section.

9 (b) Within thirty (30) days following the termination of an engagement, the
10 executive agency lobbyist who was employed under the engagement shall file
11 written notice of the termination with the commission.

12 ~~(6)~~~~(5)~~ Each employer of one (1) or more executive agency lobbyists, and each real
13 party in interest, shall pay a registration fee of five hundred dollars (\$500) upon the
14 filing of an updated registration statement. All fees collected by the commission
15 under the provisions of this subsection shall be deposited in the State Treasury in a
16 trust and agency fund account to the credit of the commission. These agency funds
17 shall be used to supplement general fund appropriations for the operations of the
18 commission and shall not lapse. No part of the trust and agency fund account shall
19 revert to the general funds of this state.

20 ~~(7)~~~~(6)~~ Upon registration pursuant to this section, an executive agency lobbyist shall
21 be issued a card annually by the commission showing the executive agency lobbyist
22 is registered. The registration card shall be valid from the date of its issuance
23 through the thirty-first day of July of the following year.

24 ~~(8)~~~~(7)~~ The commission shall review each registration statement filed with the
25 commission under this section to determine if the statement contains all of the
26 required information. If the commission determines the registration statement does
27 not contain all of the required information or that an executive agency lobbyist,

1 employer, or real party in interest has failed to file a registration statement, the
2 commission shall send written notification of the deficiency by certified mail to the
3 person who filed the registration statement or to the person who failed to file the
4 registration statement regarding the failure. Any person so notified by the
5 commission shall, not later than fifteen (15) days after receiving the notice, file a
6 registration statement or an amended registration statement that includes all of the
7 required information. If any person who receives a notice under this subsection fails
8 to file a registration statement or an amended registration statement within the
9 fifteen (15) day period, the commission may initiate an investigation of the person's
10 failure to file. If the commission initiates an investigation pursuant to this section,
11 the commission shall also notify each elected executive official and the secretary of
12 each cabinet listed in KRS 12.250 of the pending investigation.

13 ~~(9)~~~~(8)~~ In the biennial report published under KRS 11A.110(13), the commission
14 shall, in the manner and form the commission determines, include a report
15 containing statistical information on the registration statements filed under this
16 section during the preceding biennium.

17 ~~(10)~~~~(9)~~ If an employer who engages an executive agency lobbyist, or a real party in
18 interest on whose behalf the executive agency lobbyist was engaged is the recipient
19 of a contract, grant, lease, or other financial arrangement pursuant to which funds of
20 the state or of an executive agency are distributed or allocated, the executive agency
21 or any aggrieved party may consider the failure of the real party in interest, the
22 employer, or the executive agency lobbyist to comply with this section as a breach
23 of a material condition of the contract, grant, lease, or other financial arrangement.

24 ~~(11)~~~~(10)~~ Executive agency officials may require certification from any person seeking
25 the award of a contract, grant, lease, or financial arrangement that the person, his or
26 her employer, and any real party in interest are in compliance with this section.

27 ➔Section 10. KRS 11A.233 is amended to read as follows:

- 1 (1) For purposes of KRS 11A.201 to 11A.246, the term "executive agency lobbyist"
2 does not include a person acting to promote, oppose, or otherwise influence the
3 outcome of a decision of the Cabinet for Economic Development or any board or
4 authority within or attached to that cabinet relating to the issuance or award of a
5 bond, grant, lease, loan, assessment, incentive, inducement, or tax credit pursuant to
6 KRS 42.4588, 103.210, Chapter 154, or Chapter 224A, or otherwise relating to any
7 other component of an economic incentive package.
- 8 (2) Notwithstanding subsection (1), before any board or authority within or attached to
9 the Cabinet for Economic Development takes final action on any contract or
10 agreement by which any bond, grant, lease, loan, assessment, incentive, inducement,
11 or tax credit is awarded, the beneficiary of an economic incentive package shall file
12 with the approving board or authority a disclosure statement which shall contain:
- 13 (a) The identity of the beneficiary of an economic incentive package and any
14 person employed to act on its behalf in its dealings with the Cabinet for
15 Economic Development or any board or authority within or attached to that
16 cabinet regarding the matters to which the contract or agreement refers; and
- 17 (b) The details of any financial transaction as defined in KRS 11A.201~~(6)~~~~(5)~~(a)
18 between the beneficiary or any other person listed as an employee or agent of
19 the beneficiary as required by paragraph (a) of this subsection and any agent or
20 public servant of the Cabinet for Economic Development, any member of any
21 board or authority within or attached to that cabinet, or any other public
22 servant involved in the negotiation of the economic incentive package.
- 23 (3) After final action by the board or authority, the Cabinet for Economic Development
24 shall file the disclosure statement described in subsection (2) of this section with the
25 Executive Branch Ethics Commission, but the cabinet may delete information
26 identifying the beneficiary of the economic-incentive package if the cabinet believes
27 that identification would damage economic development.

- 1 (4) No beneficiary of an economic incentive package as referred to in this section shall
2 engage any person to influence decisions of the Cabinet for Economic Development
3 or the approving board or authority for compensation that is contingent in any way
4 on the outcome of the decisions of the cabinet or the approving board or authority
5 regarding contracts or agreements specified in subsection (2) of this section, and no
6 person shall accept any engagement to influence these decisions or conduct
7 lobbying activities related to these decisions for compensation that is contingent in
8 any way on the outcome of the decisions of the cabinet or the approving board or
9 authority regarding these contracts or agreements.
- 10 (5) Subsection (4) of this section does not prohibit, and shall not be construed to
11 prohibit, any person from compensating that person's sales employees pursuant to
12 any incentive compensation plan, such as commission sales, if the incentive
13 compensation plan is the same plan used to compensate similarly-situated sales
14 employees who are not engaged by the beneficiary of an economic incentive
15 package in activities and functions referred to in this section.