AN ACT relating to executive branch ethics.

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

 SECTION 1. A NEW SECTION OF KRS CHAPTER 11A IS CREATED TO READ AS FOLLOWS:

 (1) Each public servant listed in KRS 11A.010(9)(a) to (g) shall file a statement of use of state resources with the commission relating to all events and expenditures under which he or she used state resources for nonpublic purposes valued in excess of two hundred fifty dollars ($250). The statement of use of state resources shall be filed within thirty (30) days after the date on which the use of state resources for nonpublic purposes occurred.

 (2) The statement of use of state resources shall be filed on a form prescribed by the commission in administrative regulations promulgated under KRS Chapter 13A. The commission shall provide copies of the form upon request without charge. Within ten (10) days of the submission of the statement of use of state resources, the commission shall determine whether the form as submitted complies with the requirements of this section.

 (3) The form provided under subsection (2) of this section shall include the following:

 (a) The name, title, and business address of the public servant listed in KRS 11A.010(9)(a) to (g); and

 (b) A detailed description of the events related to use of state resources, including:

 1. The reason for using state resources for nonpublic purposes. If state resources were used for public and nonpublic purposes at approximately the same time, both purposes shall be listed;

 2. The date and time the event occurred;

 3. An estimate of the cost of the event;
4. Any reimbursement made to repay or offset the cost of the event, including:
    a. The name, title, and business address of the person who provided the reimbursement; and
    b. The reason the reimbursement was provided; and

5. Any persons other than the public servant listed in KRS 11A.010(9)(a) to (g) who participated in the event, including:
    a. Adult family members of the public servant listed in KRS 11A.010(9)(a) to (g); and
    b. Public servants listed in KRS 11A.010(9)(h) to (i), excluding security personnel.

➤ Section 2. KRS 11A.010 is amended to read as follows:

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

1. "Business" means any corporation, limited liability company, partnership, limited partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, or any legal entity through which business is conducted, whether or not for profit;

2. "Commission" means the Executive Branch Ethics Commission;

3. "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or another;

4. "Family" means spouse and children, as well as a person who is related to a public servant as any of the following, whether by blood or adoption: parent, brother, sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister;
(5) "Gift" means a payment, loan, subscription, advance, deposit of money, services, or anything of value, unless consideration of equal or greater value is received; "gift" does not include gifts from family members, campaign contributions, the waiver of a registration fee for a presenter at a conference or training described in KRS 45A.097(5), or door prizes available to the public;

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

(7) "Officer" means:

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

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

1. The Parole Board;
2. Kentucky Claims Commission;
3. Kentucky Retirement Systems board of trustees;
4. Kentucky Teachers' Retirement System board of trustees;
5. The Kentucky Public Employees Deferred Compensation Authority board of trustees;
6. Public Service Commission;
7. Worker's Compensation Board and its administrative law judges;
8. The Kentucky Occupational Safety and Health Review Commission;
9. The Kentucky Board of Education; and
10. The Council on Postsecondary Education;

(c) Salaried members of executive branch boards and commissions; and

(d) Any person who, through a personal service contract or any other contractual employment arrangement with an agency, performs on a full-time, nonseasonal basis a function of any major management position listed in this subsection;

(8) "Official duty" means any responsibility imposed on a public servant by virtue of his or her position in the state service;

(9) "Public servant" means:

(a) The Governor;

(b) The Lieutenant Governor;

(c) The Secretary of State;

(d) The Attorney General;

(e) The Treasurer;

(f) The Commissioner of Agriculture;

(g) The Auditor of Public Accounts;

(h) All employees in the executive branch including officers as defined in subsection (7) of this section and merit employees; and

(i) Any person who, through any contractual arrangement with an agency, is employed to perform a function of a position within an executive branch agency on a full-time, nonseasonal basis;

(10) "Agency" means every state office, cabinet, department, board, commission, public corporation, or authority in the executive branch of state government. A public servant is employed by the agency by which his or her appointing authority is employed, unless his or her agency is attached to the appointing authority's agency for administrative purposes only, or unless the agency's characteristics are of a separate independent nature distinct from the appointing authority and it is
considered an agency on its own, such as an independent department;

(11) "Lobbyist" means any person employed as a legislative agent as defined in KRS 6.611(23) or any person employed as an executive agency lobbyist as defined in KRS 11A.201(8);

(12) "Lobbyist's principal" means the entity in whose behalf the lobbyist promotes, opposes, or acts;

(13) "Candidate" means those persons who have officially filed candidacy papers or who have been nominated by their political party pursuant to KRS 118.105, 118.115, 118.325, or 118.760 for any of the offices enumerated in subsections (9)(a) to (g) of this section;

(14) "Does business with" or "doing business with" means contracting, entering into an agreement, leasing, or otherwise exchanging services or goods with a state agency in return for payment by the state, including accepting a grant, but not including accepting a state entitlement fund disbursement;

(15) "Public agency" means any governmental entity;

(16) "Appointing authority" means the agency head or any person whom he or she has authorized by law to act on behalf of the agency with respect to employee appointments;

(17) "Represent" means to attend an agency proceeding, write a letter, or communicate with an employee of an agency on behalf of someone else;

(18) "Directly involved" means to work on personally or to supervise someone who works on personally;

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

(20) "Person" means an individual, proprietorship, firm, partnership, limited partnership, joint venture, joint stock company, syndicate, business or statutory trust, donative
trust, estate, company, corporation, limited liability company, association, club,
committee, organization, or group of persons acting in concert; and
(21) "Salaried" means receiving a fixed compensation or benefit reserved for full-time
employees, which is paid on a regular basis without regard to the actual number of
hours worked.
(22) "Nonpublic purpose" means any funds, personnel, property, and any items or
other entities allocated or designated by the Commonwealth for public purposes,
but used for private, personal, or political purposes; and
(23) "State resources" means funds, personnel, property, equipment, airplanes,
vehicles, and any other items or entities allocated or designated by the
Commonwealth for public purposes.
Section 3. KRS 11A.990 is amended to read as follows:
(1) Any person who violates KRS 11A.040 shall be guilty of a Class D felony. In
addition:
(a) The judgment of conviction for a violation of KRS 11A.040(2) shall recite
that the offender is disqualified to hold office thereafter; and
(b) Any person who violates KRS 11A.040(1) to (5) shall be judged to have
forfeited any employment, or constitutional or statutory office he or she holds,
provisions of KRS Chapter 18A to the contrary notwithstanding.
(2) (a) Any officer, public servant, or candidate required to file a statement of
financial disclosure under KRS 11A.050 who does not file the statement by a
date specified in that section shall have his or her salary withheld from the
first day of noncompliance until he or she shall have completed the action
required by law. The amount withheld shall be deducted from his or her
overall pay and allowances and shall be recoverable upon the filing of the
statement of financial disclosure. The commission may grant a reasonable
extension of time for filing a statement of financial disclosure for good cause
(b) Any public servant listed in KRS 11A.010(9)(a) to (g) required to file a statement of use of state resources under Section 1 of this Act who does not file the statement by a date specified in that section shall have his or her salary withheld from the first day of noncompliance until he or she shall have completed the action required by law. The amount withheld shall be deducted from his or her overall pay and allowances and shall be recoverable upon the filing of the statement of use of state resources. The commission may grant a reasonable extension of time for filing a statement of use of state resources for good cause shown.

(3) Any person who maliciously files with the commission a false charge of misconduct on the part of any public servant or other person shall be fined not to exceed five thousand dollars ($5,000), or imprisoned in a county jail for a term not to exceed one (1) year, or both.

(4) Prosecution for violation of any provision of KRS 11A.040 shall not be commenced after four (4) years have elapsed from the date of the violation. Any executive agency lobbyist, employer, or real party in interest who violates any provision in KRS 11A.206 shall for the first violation be subject to a civil penalty not to exceed five thousand dollars ($5,000). For the second and each subsequent violation, he or she shall be guilty of a Class D felony.

(5) Any executive agency lobbyist, employer, or real party in interest who fails to file the initial registration statement or updated registration statement required by KRS 11A.211 or 11A.216, or who fails to remedy a deficiency in any filing in a timely manner, may be fined by the commission an amount not to exceed one hundred dollars ($100) per day, up to a maximum total fine of one thousand dollars ($1,000).

(6) Any executive agency lobbyist, employer, or real party in interest who intentionally fails to register, or who intentionally files an initial registration statement or updated
registration statement required by KRS 11A.211 or 11A.216 which he \textit{or she} knows
to contain false information or to omit required information shall be guilty of a
Class D felony.

(7) An executive agency lobbyist, employer, or real party in interest who files a false
statement of expenditures or details of a financial transaction under KRS 11A.221
or 11A.226 is liable in a civil action to any official or employee who sustains
damage as a result of the filing or publication of the statement.

(8) Violation of KRS 11A.236 is a Class D felony.