

1 AN ACT relating to campaign finance.

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

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

4 As used in this chapter:

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

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

10 (3) "Committee" includes the following:

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

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

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

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

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

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

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

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

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

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

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

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

27 (10) "Knowingly" means, with respect to conduct or to a circumstance described by a

1 statute defining an offense, that a person is aware or should have been aware that  
2 his or her conduct is of that nature or that the circumstance exists;

3 (11) "Fundraiser" means an individual who directly solicits and secures contributions on  
4 behalf of a candidate or slate of candidates for a statewide-elected state office or an  
5 office in a jurisdiction with a population in excess of two hundred thousand  
6 (200,000) residents;

7 (12) "Independent expenditure" means the expenditure of money or other things of value  
8 for a communication which expressly advocates the election or defeat of a clearly  
9 identified candidate or slate of candidates, and which is made without any  
10 coordination, consultation, or cooperation with any candidate, slate of candidates,  
11 campaign committee, or any authorized person acting on behalf of any of them, and  
12 which is not made in concert with, or at the request or suggestion of any candidate,  
13 slate of candidates, campaign committee, or any authorized person acting on behalf  
14 of any of them;

15 (13) "Electronic reporting" means the use of technology, having electrical, digital,  
16 magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an  
17 individual or other entity submits, compiles, or transmits campaign finance reports  
18 to the registry, or by which the registry receives, stores, analyzes, or discloses the  
19 reports;

20 (14) "Security procedure" means a procedure employed for the purpose of verifying that  
21 an electronic signature, record, or performance is that of a specific person or for  
22 detecting changes or errors in the information in an electronic record. The term  
23 includes a procedure that requires the use of algorithms or other codes, identifying  
24 words or numbers, encryption, or callback or other acknowledgment procedures;

25 (15) "Electronic signature" means an electronic sound, symbol, or process attached to or  
26 logically associated with a record and executed or adopted by a person with the  
27 intent to sign the record;

1 (16) "Filer" means any candidate, a slate of candidates, committee, or other individual or  
2 entity required to submit financial disclosure reports to the registry; and

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

5 ➔Section 2. KRS 121.035 is amended to read as follows:

6 (1) No corporation organized or authorized to do business in this state or in another  
7 state shall, by itself or by or through an officer, agent, attorney, or employee,  
8 subscribe, give, procure or furnish, or afterwards reimburse or compensate in any  
9 way any person who has subscribed, given, procured, or furnished, any money,  
10 privilege, favor, or other thing of value to any political or quasi-political  
11 organization, or any officer or member thereof, to be used by such organization for  
12 the purpose of aiding, assisting, or advancing any candidate for public office in this  
13 state in any way whatever.

14 (2) No officer, agent, attorney, or employee of any corporation organized or authorized  
15 to do business in this state or in another state, or person acting for or representing  
16 any such corporation, shall disburse, distribute, pay out, or in any way handle any  
17 money, funds, or other thing of value that belongs to or has been or is being  
18 furnished by any such corporation or any officer, agent, attorney, or employee  
19 thereof to be used or employed in any way for the purpose of aiding, assisting, or  
20 advancing any candidate for public office in this state in any way whatever.

21 (3) Nothing in this section shall be construed to prohibit a corporation **organized in this**  
22 **state** from making contributions **or expenditures** in support of a constitutional  
23 amendment, a public question which appears on the ballot, or position on an issue  
24 of public importance. **Nothing in this section shall be construed**~~[, or]~~ to prohibit a  
25 corporation from making contributions to a state executive committee's building  
26 fund account established under KRS 121.172. Nothing in this chapter shall be  
27 construed to prohibit a not-for-profit corporation, which does not derive a

1 substantial portion of its revenue from for-profit corporations, from making  
2 independent expenditures.

3 ➔Section 3. KRS 121.150 is amended to read as follows:

- 4 (1) No contribution shall be made or received, directly or indirectly, other than an  
5 independent expenditure, to support inauguration activities or to support or defeat a  
6 candidate, slate of candidates, constitutional amendment, or public question which  
7 will appear on the ballot in an election, except through the duly appointed campaign  
8 manager, or campaign treasurer of the candidate, slate of candidates, or registered  
9 committee. Any person making an independent expenditure, shall report these  
10 expenditures when the expenditures by that person exceed five hundred dollars  
11 (\$500) in the aggregate in any one (1) election, on a form provided or using a format  
12 approved by the registry and shall sign a statement on the form, under penalty of  
13 perjury, that the expenditure was an actual independent expenditure and that there  
14 was no prior communication with the campaign on whose behalf it was made.
- 15 (2) Except as provided in KRS 121.180(10), the solicitation from and contributions by  
16 campaign committees, caucus campaign committees, political issues committees,  
17 permanent committees, and party executive committees to any religious, charitable,  
18 civic, eleemosynary, or other causes or organizations established primarily for the  
19 public good is expressly prohibited; except that it shall not be construed as a  
20 violation of this section for a candidate or a slate of candidates to contribute to  
21 religious, civic, or charitable groups.
- 22 (3) No candidate, slate of candidates, committee, or contributing organization, nor  
23 anyone acting on their behalf, shall accept any anonymous contribution in excess of  
24 one hundred dollars (\$100), and all anonymous contributions in excess of one  
25 hundred dollars (\$100) shall be returned to the donor, if the donor can be  
26 determined. If no donor is found, the contribution shall escheat to the state. No  
27 candidate, slate of candidates, committee, or contributing organization, nor anyone

1 acting on their behalf shall accept anonymous contributions in excess of two  
2 thousand dollars (\$2,000) in the aggregate in any one (1) election. Anonymous  
3 contributions in excess of two thousand dollars (\$2,000) in the aggregate which are  
4 received in any one (1) election shall escheat to the state.

5 (4) No candidate, slate of candidates, committee, or contributing organization, nor  
6 anyone on their behalf, shall accept a cash contribution in excess of one hundred  
7 dollars (\$100) in the aggregate from each contributor in any one (1) election. No  
8 candidate, slate of candidates, committee, or contributing organization, nor anyone  
9 on their behalf, shall accept a cashier's check or money order in excess of the  
10 maximum cash contribution limit unless the instrument clearly identifies both the  
11 payor and the payee. A contribution made by cashier's check or money order which  
12 identifies both the payor and payee shall be treated as a contribution made by check  
13 for purposes of the contribution limits contained in this section. No person shall  
14 make a cash contribution in excess of one hundred dollars (\$100) in the aggregate in  
15 any one (1) election to a candidate, slate of candidates, committee, or contributing  
16 organization, nor anyone on their behalf.

17 (5) No candidate, slate of candidates, committee, contributing organization, nor anyone  
18 on their behalf, shall accept any contribution in excess of one hundred dollars  
19 (\$100) from any person who shall not become eighteen (18) years of age on or  
20 before the day of the next general election.

21 (6) Except as provided in subsection (22) of this section, no candidate, slate of  
22 candidates, campaign committee, nor anyone acting on their behalf, shall accept a  
23 contribution of more than two thousand dollars (\$2,000) as indexed for inflation  
24 every odd-numbered year using the preceding year's percent increase in the non-  
25 seasonally adjusted annual average Consumer Price Index for all Urban Consumers  
26 (CPI-U), U.S. City Average, All Items, for that year as published by the United  
27 States Bureau of Labor Statistics and rounded to the nearest hundred dollars, from



- 1 any person, permanent committee, or contributing organization in any one (1)  
2 election. No person, permanent committee, or contributing organization shall  
3 contribute more than two thousand dollars (\$2,000) as indexed for inflation every  
4 odd-numbered year using the preceding year's percent increase in the non-seasonally  
5 adjusted annual average Consumer Price Index for all Urban Consumers (CPI-U),  
6 U.S. City Average, All Items, as published by the United States Bureau of Labor  
7 Statistics and rounded to the nearest hundred dollars, to any one (1) candidate,  
8 campaign committee, nor anyone acting on their behalf, in any one (1) election.
- 9 (7) Permanent committees or contributing organizations affiliated by bylaw structure or  
10 by registration, as determined by the Registry of Election Finance, shall be  
11 considered as one (1) committee for purposes of applying the contribution limits of  
12 subsection (6) of this section.
- 13 (8) No permanent committee shall contribute funds to another permanent committee for  
14 the purpose of circumventing contribution limits of subsection (6) of this section.
- 15 (9) No person shall contribute funds to a permanent committee, political issues  
16 committee, or contributing organization for the purpose of circumventing the  
17 contribution limits of subsection (6) of this section.
- 18 (10) No person shall contribute more than two thousand dollars (\$2,000) as indexed for  
19 inflation every odd-numbered year using the preceding year's percent increase in the  
20 non-seasonally adjusted annual average Consumer Price Index for all Urban  
21 Consumers (CPI-U), U.S. City Average, All Items, for that year as published by the  
22 United States Bureau of Labor Statistics and rounded to the nearest hundred dollars,  
23 to a permanent committee or contributing organization in any one (1) year.
- 24 (11) (a) No person shall contribute more than five thousand dollars (\$5,000) to the  
25 state executive committee of a political party in any one (1) year. The  
26 contribution limit in this paragraph shall not apply to a contribution  
27 designated exclusively for a state executive committee's building fund account

1 established under KRS 121.172.

2 (b) No person shall contribute more than five thousand dollars (\$5,000) to a  
3 subdivision or affiliate of a state political party in any one (1) year.

4 (c) No person shall contribute more than five thousand dollars (\$5,000) to a  
5 caucus campaign committee in any one (1) year.

6 (12) No person shall make a payment, distribution, loan, advance, deposit, or gift of  
7 money to another person to contribute to a candidate, a slate of candidates,  
8 committee, contributing organization, or anyone on their behalf. No candidate, slate  
9 of candidates, committee, contributing organization, nor anyone on their behalf  
10 shall accept a contribution made by one (1) person who has received a payment,  
11 distribution, loan, advance, deposit, or gift of money from another person to  
12 contribute to a candidate, a slate of candidates, committee, contributing  
13 organization, or anyone on their behalf.

14 (13) Subject to the provisions of subsection (17) of this section, no candidate or slate of  
15 candidates for nomination to any state, county, city, or district office, nor their  
16 campaign committees, nor anyone on their behalf, shall solicit or accept  
17 contributions for primary election expenses after the date of the primary. No person  
18 other than the candidate or slate of candidates shall contribute for primary election  
19 expenses after the date of the primary.

20 (14) Subject to the provisions of subsection (17) of this section, no candidate or slate of  
21 candidates for any state, county, city, or district office at a regular election, nor their  
22 campaign committees, nor anyone on their behalf, shall solicit or accept  
23 contributions for regular election expenses after the date of the regular election. No  
24 person other than the candidate or slate of candidates shall contribute for regular  
25 election expenses after the date of the regular election.

26 (15) Subject to the provisions of subsection (17) of this section, no candidate or slate of  
27 candidates for nomination or election to any state, county, city, or district office, nor

1 their campaign committees, nor anyone on their behalf, shall solicit or accept  
2 contributions for special election expenses after the date of the special election. No  
3 person other than the candidate or slate of candidates shall contribute for special  
4 election expenses after the date of the special election.

5 (16) The provisions of subsections (13) and (14) of this section shall apply only to those  
6 candidates in a primary or regular election which shall be conducted subsequent to  
7 January 1, 1989. The provisions of subsection (15) of this section shall apply only  
8 to those candidates or slates of candidates in a special election which shall be  
9 conducted subsequent to January 1, 1993.

10 (17) A candidate, slate of candidates, or a campaign committee may solicit and accept  
11 contributions after the date of a primary election, regular election, or special  
12 election to defray necessary expenses that arise after the date of the election  
13 associated with election contests, recounts, and recanvasses of a specific election,  
14 complaints regarding alleged campaign finance violations that are filed with the  
15 registry pertaining to a specific election, or other legal actions pertaining to a  
16 specific election to which a candidate, slate of candidates, or campaign committee is  
17 a party, and for repayment of debts and obligations owed by the campaign. Reports  
18 of contributions received and expenditures made after the date of the specific  
19 election shall be made in accordance with KRS 121.180.

20 (18) No candidate, slate of candidates, committee, except a political issues committee, or  
21 contributing organization, nor anyone on their behalf, shall knowingly accept a  
22 contribution from a corporation, directly or indirectly, except to the extent that the  
23 contribution is designated to a state executive committee's building fund account  
24 established under KRS 121.172.

25 (19) Nothing in this section shall be construed to restrict the ability of a corporation to  
26 administer its permanent committee insofar as its actions can be deemed not to  
27 influence an election as prohibited by KRS 121.025.

- 1 (20) No candidate, slate of candidates, or committee, nor anyone on their behalf, shall  
2 solicit a contribution of money or services from a state employee, whether or not the  
3 employee is covered by the classified service provisions of KRS Chapter 18A.  
4 However, it shall not be a violation of this subsection for a state employee to  
5 receive a solicitation directed to him as a registered voter in an identified precinct as  
6 part of an overall plan to contact voters not identified as state employees.
- 7 (21) No candidate or slate of candidates for any office in this state shall accept a  
8 contribution, including an in-kind contribution, which is made from funds in a  
9 federal campaign account. No person shall make a contribution, including an in-  
10 kind contribution, from funds in a federal campaign account to any candidate or  
11 slate of candidates for any office in this state.
- 12 (22) It shall be permissible for a married couple to make a contribution with one (1)  
13 check that reflects the combined individual contribution limits of each individual  
14 spouse per election, as set forth in subsection (6) of this section, for all elections in  
15 a calendar year and the following shall be required to be written on the check:
- 16 (a) The signatures of both spouses on the signature line of the check; and  
17 (b) The designation of each contribution amount and the election or elections to  
18 which they apply shall be memorialized on the memo line of the check.
- 19 **(23) No person who resides outside of this state, or corporation not organized in this**  
20 **state, shall be permitted to register a political issues committee, contribute to a**  
21 **political issues committee, or otherwise make contributions and expenditures**  
22 **directly and primarily in support of, or in opposition to, a constitutional**  
23 **amendment or public question which will appear on the ballot.**