

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 persons joining
- 6 together to advocate or oppose a constitutional amendment or public question
- 7 which appears on the ballot if that committee receives or expends money in
- 8 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. Any contributions made by the groups in excess of one hundred dollars
- 27 (\$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
11 made 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:

20 (a) Between the time a certificate or petition of nomination has been filed for a
21 candidate for the office of Governor under KRS 118.365 and the time the
22 candidate designates a running mate for the office of Lieutenant Governor
23 under KRS 118.126, a slate of candidates consists of the candidate for the
24 office of Governor; and

25 (b) After that candidate has designated a running mate under KRS 118.126, that
26 same slate of candidates consists of that same candidate for the office of
27 Governor and the candidate's running mate for the office of Lieutenant

1 Governor. Unless the context requires otherwise, any provision of law that
2 applies to a candidate shall also apply to a slate of candidates;

3 (10) "Knowingly" means, with respect to conduct or to a circumstance described by a
4 statute defining an offense, that a person is aware or should have been aware that
5 his or her conduct is of that nature or that the circumstance exists;

6 (11) "Fundraiser" means an individual who directly solicits and secures contributions on
7 behalf of a candidate or slate of candidates for a statewide-elected state office or an
8 office in a jurisdiction with a population in excess of two hundred thousand
9 (200,000) residents;

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

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

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

- 1 (15) "Electronic signature" means an electronic sound, symbol, or process attached to or
2 logically associated with a record and executed or adopted by a person with the
3 intent to sign the record;
- 4 (16) "Filer" means any candidate, a slate of candidates, committee, or other individual or
5 entity required to submit financial disclosure reports to the registry;
- 6 (17) "Filer-side software" means software provided to or used by the filer that enables
7 transmittal of financial reports to the registry;~~and~~
- 8 (18) "Form" means an online Web page or an electronic document designed to capture,
9 validate, and submit data for processing to the registry, unless the context otherwise
10 prescribes; and
- 11 **(19) "Campaign consultant" means any person or entity that provides one (1) or more**
12 **of the following services for pay: social media and legacy media strategy, creating**
13 **and buying ads and other branded material, research and polling, analyzing and**
14 **collecting data, voter targeting and field planning, fundraising, writing press**
15 **releases, organizing campaign rallies and events, or writing speeches. A**
16 **registered agent shall be considered a campaign consultant if the registered agent**
17 **provides any of the above services with or without pay. A person or entity**
18 **convicted of fraud, bribery, or electioneering shall be prohibited from serving as a**
19 **campaign consultant.**

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

- 22 **(1) Each campaign consultant and employer, within seven (7) days following**
23 **engagement of a campaign consultant, shall file with the registry an initial**
24 **registration statement listing the following:**
- 25 **(a) The name, business address and telephone number, and occupation of the**
26 **campaign consultant;**
- 27 **(b) The name, brief description of the nature of the business, nature and**

- 1 identity of the organized association, coalition, or public interest entity, and
2 business address and telephone number of the employer. For the purposes
3 of this section, if a trade association or other charitable or fraternal
4 organization that is exempt from federal income taxation under Section
5 501(c) of the Internal Revenue Code is the employer, the statement shall not
6 list the names and addresses of each member of the association or
7 organization, if the association or organization itself is listed;
8 (c) The date on which the campaign consultant was engaged; and
9 (d) Certification by the employer and campaign consultant that the information
10 contained in the registration statement is complete and accurate.
11 (2) The registration shall be valid through the next thirty-first day of December of an
12 odd-numbered year, unless previously terminated.
13 (3) (a) In addition to the initial registration statement required by subsection (1) of
14 this section, each campaign consultant and employer shall file an updated
15 registration statement with the registry to be received by the registry, not
16 later than 4 p.m. on the fifteenth day of January, February, March, April,
17 May, and September of each year, for the period since the end of the period
18 covered by the previous report until the last day of the month preceding the
19 filing date. The registry may grant a reasonable extension of time for filing
20 the updated registration statement for good cause shown.
21 (b) The updated registration statement shall confirm the continuing existence
22 of each engagement described in an initial registration statement.
23 (4) If a campaign consultant is engaged by more than one (1) employer, the
24 consultant shall file a separate initial and updated registration statement for each
25 engagement. If an employer engages more than one (1) campaign consultant, the
26 employer shall file only one (1) updated registration statement under subsection
27 (3) of this section, which shall contain the information required by subsection (3)

1 of this section regarding all campaign consultants engaged by the employer.

2 (5) (a) A change in any information required by subsection (1)(a) or (b) of this
3 section shall be reflected in the next updated registration statement filed
4 under subsection (3) of this section.

5 (b) Within thirty (30) days after the termination of an engagement, the
6 campaign consultant who was employed under the engagement shall file
7 written notice of the termination with the registry.

8 (c) If the termination of a campaign consultant leaves an employer without the
9 engagement of any campaign consultants, within thirty (30) days after the
10 termination, the employer shall file written notice with the registry of its
11 intent to terminate its current registration.

12 (6) Upon registration pursuant to subsection (1) of this section, the campaign
13 consultant shall be issued a card by the registry, showing that the campaign
14 consultant is registered. The registration card shall be valid from the date of its
15 issuance through the next thirty-first day of December of an odd-numbered year.

16 (7) Any campaign consultant or employer who fails to file the initial registration
17 statement or updated registration statement, or who fails to remedy a deficiency
18 in any filing in a timely manner, may be fined by the registry an amount not to
19 exceed one hundred dollars (\$100) per day, up to a maximum total fine of one
20 thousand dollars (\$1,000) without the necessity of a complaint being filed, but
21 only after notice has been given to the alleged violator of the intent of the registry
22 to impose a fine, including the amount of the fine, and an opportunity has been
23 afforded the alleged violator to appear before the registry or otherwise offer
24 evidence as he may choose in mitigation of the imposition of the fine.

25 (8) Any campaign consultant or employer who intentionally fails to register shall be
26 guilty of a Class D felony.

27 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO

1 READ AS FOLLOWS:

2 (1) Each employer of one (1) or more campaign consultants shall pay a registration
3 fee of two hundred fifty dollars (\$250) to the registry.

4 (2) All fees collected by the registry under the provisions of this section shall be
5 deposited in the State Treasury in a trust and agency fund account to the credit of
6 the registry. These agency funds shall be used to supplement general fund
7 appropriations to the registry.