1		AN ACT relating to lobbying.
2	Be i	t enacted by the General Assembly of the Commonwealth of Kentucky:
3		→SECTION 1. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO
4	REA	AD AS FOLLOWS:
5	<u>(1)</u>	As used in this section:
6		(a) "Lobbying" has the same meaning as in Section 7 of this Act, and includes
7		the types of lobbying activity described in subsection (10) of Section 10 of
8		this Act;
9		(b) "Lobbyist" has the same meaning as "legislative agent" as that term is
10		defined in Section 7 of this Act, and includes the type of lobbyists described
11		in subsection (9) of Section 10 of this Act;
12		(c) "Lobbyist employee" means those individuals as described in subsection
13		(23)(b)3. of Section 7 of this Act, and includes individuals described in
14		subsection (9)(b) of Section 10 of this Act;
15		(d) "Public agency" has the same meaning as in KRS 61.870; and
16		(e) "Public funds" has the same meaning as in KRS 446.010(41) and KRS
17		65A.010(7), except that it shall not apply to the portion of those funds that
18		are derived from federal funds.
19	<u>(2)</u>	A public agency, or any entity created by an act of the General Assembly, shall
20		not use public funds:
21		(a) For lobbying activity; or
22		(b) To employ or enter into a contract with a lobbyist.
23	<u>(3)</u>	The General Assembly shall not appropriate public funds:
24		(a) For lobbying activity; or
25		(b) To employ or enter into a contract with a lobbyist.
26	<u>(4)</u>	Subsections (2)(a) and (3)(a) of this section shall not apply to public agencies that
27		hire lobbyist employees who perform lobbying activities as part of their fiduciary

1	<u>duties.</u>
2	→SECTION 2. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO
3	READ AS FOLLOWS:
4	(1) As used in this section:
5	(a) "Lobbying" has the same meaning as in Section 7 of this Act, and includes
6	the types of lobbying activity described in subsection (10) of Section 10 of
7	this Act;
8	(b) "Lobbyist" has the same meaning as "legislative agent" as that term is
9	defined in Section 7 of this Act, and includes the type of lobbyists described
10	in subsection (9) of Section 10 of this Act;
11	(c) "Lobbyist employee" means those individuals as described in subsection
12	(23)(b)3. of Section 7 of this Act, and includes individuals described in
13	subsection (9)(b) of Section 10 of this Act;
14	(d) "Public agency" has the same meaning as in KRS 61.870; and
15	(e) "Public funds" has the same meaning as in KRS 446.010(41) and KRS
16	65A.010(7), except that it shall not apply to the portion of those funds that
17	are derived from federal funds.
18	(2) A public agency shall not use public funds:
19	(a) For lobbying activity; or
20	(b) To employ or enter into a contract with a lobbyist.
21	(3) Subsection (2)(a) of this section shall not apply to public agencies that hire
22	lobbyist employees who perform lobbying activity as part of their fiduciary duties.
23	→SECTION 3. A NEW SECTION OF KRS 6.601 TO 6.849 IS CREATED TO
24	READ AS FOLLOWS:
25	(1) Any person who believes that Section 1, 2, or 4 of this Act has been violated may
26	file a complaint with the commission pursuant to KRS 6.686.
27	(2) The commission has jurisdiction to investigate and proceed upon receipt of any

I	complaint submitted pursuant to this section.
2	(3) If the alleged violator is an employee of the executive branch of state government,
3	the commission shall transfer the complaint to the Executive Branch Ethics
4	Commission within seven (7) days of receipt of the complaint, and the Executive
5	Branch Ethics Commission shall conduct an investigation pursuant to KRS
6	11A.080, or refer the matter to an applicable agency that has its own code of
7	ethics under KRS 11A.015, as appropriate.
8	→SECTION 4. A NEW SECTION OF KRS 6.601 TO 6.849 IS CREATED TO
9	READ AS FOLLOWS:
10	(1) As used in this section, "public agency" has the same meaning as in KRS 61.870.
11	(2) A public agency shall file a report with the commission if it:
12	(a) Procures a contract with a legislative agent to engage in federal lobbying;
13	<u>or</u>
14	(b) Uses federal funds:
15	1. To employ or procure a contract with a legislative agent; or
16	2. As part of any compensation or salary paid to an employee to engage
17	in lobbying activity on behalf of the public agency.
18	(3) The report shall include:
19	(a) The name, business address and telephone number, and occupation of the
20	legislative agent;
21	(b) The amount of federal funds used to employ or procure a contract with a
22	legislative agent;
23	(c) The amount of federal funds used as compensation or salary for an
24	employee used to engage in lobbying activity for the agency;
25	(d) The name, bill number, or a brief description of the federal action for which
26	the legislative agent or employee is or will be engaged in lobbying on behalf
27	of the agency;

1		(e) The date or dates on which the legislative agent or employee is engaged;
2		<u>and</u>
3		(f) Certification by the public agency that the information contained in the
4		report is complete and accurate;
5	<u>(4)</u>	If a public agency uses:
6		(a) Both its employees and legislative agents to engage in federal lobbying; or
7		(b) Federal funds to provide compensation for an employee to engage in
8		lobbying activity and to procure a contract with or employ a legislative
9		agent;
10		it shall include information pertaining to both the employee and the legislative
11		agent pursuant to subsection (3) of this section.
12	<u>(5)</u>	(a) The report shall be filed with the commission within thirty (30) days of the
13		decision by the public agency to engage in federal lobbying or to use federal
14		funds for lobbying activity pursuant to this section.
15		(b) In addition to the requirements of paragraph (a) of this subsection, a public
16		agency shall submit a report containing the same information to the
17		commission annually by June 30.
18	<u>(6)</u>	All public agencies shall provide an annual list of all contracts they have
19		procured with a legislative agent for all types of lobbying activity, regardless of
20		the source of funds, to the Auditor of Public Accounts and State Treasurer by
21		June 30 of each year.
22		→ SECTION 5. A NEW SECTION OF KRS 6.601 TO 6.849 IS CREATED TO
23	REA	AD AS FOLLOWS:
24	<u>(1)</u>	The Attorney General and any assistant or special counsel designated by him or
25		her, any county attorney, or any Commonwealth's attorney may investigate
26		compliance with KRS 6.601 to 6.849, and, if necessary, initiate appropriate court
27		action to obtain compliance, including through injunctive relief.

1	(2) Any pen	alty issued by a court under subsection (1) of this section shall be in
2	addition	to any penalty prescribed in Section 8 of this Act.
3	→SECT	ION 6. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
4	READ AS FO	LLOWS:
5	(1) As used	in this section:
6	(a) "In	estitution" means a public postsecondary education institution and
7	inc	ludes all programs, departments, divisions, offices, centers, colleges, and
8	<u>affi</u>	iliated organizations and corporations;
9	(b) "L	obbyist" has the same meaning as "legislative agent" as that term is
10	<u>def</u>	ined in Section 7 of this Act, and includes the type of lobbyists described
11	<u>in s</u>	subsection (9) of Section 10 of this Act; and
12	(c) "P	ublic funds" has the same meaning as in KRS 446.010(41) and KRS
13	<u>65</u> 2	A.010(7), except that it shall not apply to the portion of those funds that
14	<u>are</u>	derived from federal funds.
15	(2) A public	postsecondary education institution shall not employ or contract with a
16	<u>lobbyist (</u>	or use public funds to employ or contract with a lobbyist.
17	(3) A preside	ent of a public postsecondary education institution may lobby on behalf
18	of the ins	stitution in his or her fiduciary capacity.
19	<b>→</b> Sectio	n 7. KRS 6.611 is amended to read as follows:
20	As used in this	code, unless the context requires otherwise:
21	(1) "Adversa	arial proceeding" means a proceeding in which decisions are made based
22	upon evi	dence presented as measured against established standards, with parties
23	having th	ne right to appeal the decision on the record to a court;
24	(2) (a) "Aı	nything of value" includes the following:
25	1.	A pecuniary item, including money, or a bank bill or note;
26	2.	A promissory note, bill of exchange, order, draft, warrant, check, or
27		bond given for the payment of money;

1		3.	A contract, agreement, promise, or other obligation for an advance,
2			conveyance, forgiveness of indebtedness, deposit, distribution, loan,
3			payment, gift, pledge, or transfer of money;
4		4.	A stock, bond, note, or other investment interest in an entity;
5		5.	A receipt given for the payment of money or other property;
6		6.	A right in action;
7		7.	A gift, tangible good, chattel, or an interest in a gift, tangible good, or
8			chattel;
9		8.	A loan or forgiveness of indebtedness;
10		9.	A work of art, antique, or collectible;
11		10.	An automobile or other means of personal transportation;
12		11.	Real property or an interest in real property, including title to realty; a
13			fee simple or partial interest, present or future, contingent or vested,
14			within realty; a leasehold interest; or other beneficial interest in realty;
15		12.	A rebate or discount in the price of anything of value unless the rebate
16			or discount is made in the ordinary course of business to a member of
17			the public without regard to that person's status as a legislator;
18		13.	A promise or offer of employment; or
19		14.	Any other thing of value that is pecuniary or compensatory in value to a
20			person, or the primary significance of which is economic gain.
21	(b)	"An	ything of value" does not include:
22		1.	A campaign contribution properly received and reported, if reportable,
23			as required under KRS Chapter 121;
24		2.	Compensation, food, beverages, entertainment, transportation, lodging,
25			or other goods or services extended to a legislator by the legislator's
26			private employer or by a person other than a legislative agent or

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employer;

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1	3.	A usual and customary commercial loan made in the ordinary course of
2		business, without regard to the recipient's status as a legislator, and by a
3		person or institution authorized by law to engage in the business of
4		making loans;
5	4.	A certificate, plaque, or commemorative token of less than one hundred
6		fifty dollars (\$150) value;
7	5.	Promotional items of less than fifty dollars (\$50);
8	6.	Educational items;
9	7.	Informational items;
10	8.	The cost of attendance or participation, and of food and beverages
11		consumed, at events:
12		a. To which all members of the Kentucky Senate or the Kentucky
13		House of Representatives, or both, are invited;
14		b. To which all members of a joint committee or task force of the
15		Kentucky Senate and the Kentucky House of Representatives are
16		invited;
17		c. To which a caucus of legislators approved as a caucus by the
18		Legislative Research Commission is invited;
19		d. Sponsored or coordinated by a state or local government entity,
20		including a state institution of higher education, provided that the
21		cost thereof is covered by the state or local government entity or
22		state institution of higher education; or
23		e. To which an individual legislator is invited that are held in-state,
24		and for which the legislator receives prior approval from a
25		majority of the Legislative Research Commission;
26	9.	Gifts from a person related by blood or marriage or a member of the

legislator's household;

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1		10.	A gift that:
2			a. Is not used; and
3			b. No later than thirty (30) days after receipt, is returned to the donor
4			or delivered to a charitable organization and is not claimed as a
5			charitable contribution for federal income tax purposes;
6		11.	The cost, paid, reimbursed, raised, or obtained by the Legislative
7			Research Commission, for attendance or participation, and for food and
8			beverages consumed at, and funds, goods, and services provided for
9			conducting events sponsored or coordinated by multistate or national
10			organizations of, or including, state governments, state legislatures, or
11			state legislators if the attendance and expenditures are approved in
12			advance by the Legislative Research Commission;
13		12.	The cost of attendance or participation provided by the sponsoring
14			entity, of lodging, and of food and beverages consumed, at in-state
15			events sponsored by or in conjunction with a civic, charitable
16			governmental, trade association, or community organization;
17		13.	A gift or gifts from one member of the General Assembly to another
18			member of the General Assembly;
19		14.	Anything for which the recipient pays or gives full value; or
20		15.	Any service spontaneously extended to a legislator in an emergency
21			situation;
22	(3)	"Associate	ed," if used with reference to an organization, includes an organization in
23		which an	individual or a member of the individual's family is a director, officer
24		fiduciary,	trustee, agent, or partner, or owns or controls, in the aggregate, an interest
25		of ten tho	busand dollars (\$10,000) or more, or an interest of five percent (5%) or
26		more of th	ne outstanding equity;

"Business" means any corporation, partnership, sole proprietorship, firm, enterprise,

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(4)

1		franchi	se, association, organization, self-employed individual, holding company,				
2		joint st	joint stock company, receivership, trust, professional service corporation, or any				
3		legal er	legal entity through which business is conducted for profit;				
4	(5)	"Busine	ess associate" includes the following:				
5		(a) A	A private employer;				
6		(b) A	general or limited partnership, or a general or limited partner within the				
7		pa	artnership;				
8		(c) A	corporation that is family-owned or in which all shares of stock are closely				
9		h	eld, and the shareholders, owners, and officers of such a corporation;				
10		(d) A	corporation in which the legislator or other person subject to this code has				
11		aı	n investment interest, owns, or has a beneficial interest in shares of stock				
12		W	which constitute more than:				
13		1.	. Five percent (5%) of the value of the corporation; or				
14		2.	Ten thousand dollars (\$10,000) at fair market value;				
15		(e) A	corporation, business association, or other business entity in which the				
16		le	egislator or other person subject to this code serves as an agent or a				
17		CO	ompensated representative;				
18	(6)	"Candi	date" means an individual who seeks nomination or election to the General				
19		Asseml	Assembly. An individual is a candidate when the individual:				
20		(a) F	iles a notification and declaration for nomination for office with the				
21		S	ecretary of State; or				
22		(b) Is	s nominated for office by his or her party under KRS 118.105, 118.115,				
23		1	18.325, or 118.760;				
24	(7)	"Charit	table organization" means an organization described in 26 U.S.C. Sec. 170(c)				
25		as it cu	rrently exists or as it may be amended;				
26	(8)	"Child'	' means the unemancipated minor daughter, son, stepdaughter, or stepson;				

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"Commission" means the Kentucky Legislative Ethics Commission;

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(9)

1	(10)	(a)	"Cor	mpensation" means:
2			1.	An advance, salary, conveyance, forgiveness of indebtedness, deposit
3				distribution, loan, payment, gift, pledge, or transfer of money; or
4			2.	A contract, agreement, promise, or other obligation for an advance
5				conveyance, forgiveness of indebtedness, deposit, distribution, loan
6				payment, gift, pledge, or transfer of money for services rendered or to be
7				rendered.
8		(b)	"Cor	mpensation" does not include reimbursement of expenses if:
9			1.	The reimbursement is equal to, or less than, the amount paid for the
10				expenses;
11			2.	Expense records are itemized; and
12			3.	No portion of the reimbursed expense is used to give anything of value
13				to a legislator, candidate, or the spouse of a legislator or candidate;
14	(11)	"Eco	nomi	c interest" means an interest distinct from that of the general public in a
15		state	purc	hase, sale, lease, contract, option, or other transaction or arrangement
16		invol	ving	property or services in which a legislator may gain an economic benefit
17		of fif	ty do	llars (\$50) or more;
18	(12)	"Emp	oloye	r" means any person who engages a legislative agent and in the case of a
19		busin	iess o	ther than a sole proprietorship or self-employed individual, it means the
20		busin	iess e	ntity, and not an individual officer, director, or employee thereof, except
21		when	an o	officer, director, or employee makes an expenditure for which he or she is
22		reimł	ourse	d by the business entity;
23	(13)	"Eng	age"	means to make any arrangement, and "engagement" means any
24		arran	geme	ent, by which an individual is employed or retained for compensation to

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(14) "Ethical misconduct" means any violation of the Kentucky Code of Legislative

act for or on behalf of an employer to lobby;

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Ethics;

1	(15) (a)	"Expenditure" means any of the following that is made to, at the request of,
2		for the benefit of, or on behalf of any member of the General Assembly, the
3		Governor, the secretary of a cabinet listed in KRS 12.250, or any member of
4		the staff of any of those officials:
5		1. A payment, distribution, loan, advance, deposit, reimbursement, or gift

- 1. A payment, distribution, loan, advance, deposit, reimbursement, or gift of money, real estate, or anything of value, including [,] but not limited to [,] food and beverages, entertainment, lodging, transportation, or honoraria;
- 2. A contract, promise, or agreement, to make an expenditure; or
- 3. The purchase, sale, or gift of services or any other thing of value.
- (b) "Expenditure" does not include a contribution, gift, or grant to a foundation or other charitable organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. "Expenditure" does not include the purchase, sale, or gift of services or any other thing of value that is available to the general public on the same terms as it is available to the persons listed in this subsection;
- 17 (16) "Family member" means a person:

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- 18 (a) Who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-19 law, daughter-in-law, grandparent, or grandchild of an individual; or
- 20 (b) Who is a member of the individual's household, and is dependent upon the individual;
- 22 (17) "Filer" means an individual who is required to file a statement of financial interests 23 pursuant to KRS 6.781;
- 24 (18) (a) "Financial transaction" means a transaction or activity that is conducted or 25 undertaken for profit and arises from the joint ownership, ownership, or part 26 ownership in common of any real or personal property or any commercial or 27 business enterprise of whatever form or nature between the following:

I		1.	A legislative agent, his or her employer, or a member of the immediate
2			family of the legislative agent or his or her employer; and
3		2.	Any member of the General Assembly, the Governor, the secretary of a
4			cabinet listed in KRS 12.250, or any member of the staff of any of the
5			officials listed in this subparagraph.
6		(b) "Fina	ancial transaction" does not include any transaction or activity:
7		1.	Described in paragraph (a) of this subsection if it is available to the
8			general public on the same or similar terms and conditions; or
9		2.	Made or let after public notice and competitive bidding or contracts that
10			are available on similar terms to other members of the general public.
11	(19)	"Former le	egislator" means a person who previously held a position as a legislator
12		and who no	o longer holds that position;
13	(20)	"Immediate	e family" means an unemancipated child residing in an individual's
14		household,	a spouse of an individual, or a person claimed by the individual as a
15		dependent	for tax purposes;
16	(21)	"In-state" ı	means within the borders of Kentucky or outside Kentucky in a county
17		that is cont	iguous with the border of Kentucky;
18	(22)	"Legislatio	on" means bills, resolutions, amendments, nominations, administrative
19		regulations	s, and any other matter pending before the General Assembly or any of its
20		interim or	statutory committees, or the executive approval or veto of any bill acted
21		upon by the	e General Assembly;
22	(23)	(a) "Legi	islative agent" means any individual who is engaged:
23		1.	During at least a portion of his or her time to lobby as one (1) of his or
24			her official responsibilities; [or]
25		2.	In lobbying activities as a legislative liaison of an association, coalition,
26			or public interest entity formed for the purpose of promoting or
27			otherwise influencing legislation; or

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1			3. In indirect lobbying as a public relations, media, or social media
2			company as described in subsection (27)(a)2. of this section.
3		(b)	"Legislative agent" does not include:
4			1. Any person who limits his or her lobbying activities to appearing before
5			public meetings of legislative committees, subcommittees, or task
6			forces, or public hearings or meetings of public agencies;
7			2. A private citizen who receives no compensation for lobbying and who
8			expresses a personal opinion; or
9			3. An elected or appointed officer or employee of a federal or state
10			agency or political subdivision who attempts to influence or affect
11			legislation in his or her fiduciary capacity as a representative of his or
12			her agency or political subdivision [A public servant acting in his or her
13			fiduciary capacity as a representative of his or her agency, college,
14			university, or city, county, urban county, consolidated local government,
15			unified local government, or charter county government, except persons
16			engaged by a de jure municipal corporation, such as the Kentucky
17			Lottery Corporation or the Kentucky Housing Corporation, institutions
18			of higher education, or local governments, whose primary responsibility
19			during sessions of the General Assembly is to lobby];
20	(24)	"Leg	gislative interest" means a substantial economic interest, distinct from that of
21		the g	general public, in one (1) or more legislative matters;
22	(25)	"Leg	gislative matter" means any bill, resolution, nomination, or other issue or
23		prop	osal pending before the General Assembly or any interim committee,
24		com	mittee, subcommittee, task force, or commission of the General Assembly;
25	(26)	"Leg	gislator" means a member or member-elect of the General Assembly;
26	(27)	(a)	"Lobby" means:
27		<u>1.</u>	To promote, advocate, or oppose the passage, modification, defeat, or

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1		executive approval or veto of any legislation by direct communication with
2		any member of the General Assembly, the Governor, the secretary of any
3		cabinet listed in KRS 12.250, or any member of the staff of any of the
4		officials listed in this paragraph; or
5	<u>2.</u>	As applied to a public agency as defined in KRS 61.870, to hire, employ, or
6		procure through a contract with, a public relations, media, or social media
7		company to indirectly promote, advocate, or oppose the passage,
8		modification, defeat, or executive approval or veto of any legislation with
9		any member of the General Assembly, the Governor, the secretary of any
10		cabinet listed in KRS 12.250, or any member of the staff of any of the
11		officials listed in this paragraph.
12	(b)	"Lobbying" does not include:
13		1. Appearances before public meetings of the committees, subcommittees,
14		task forces, and interim committees of the General Assembly;
15		2. News, editorial, and advertising statements published in newspapers,
16		journals, or magazines, or broadcast over radio or television;
17		3. The gathering and furnishing of information and news by bona fide
18		reporters, correspondents, or news bureaus to news media described in
19		paragraph (b)2. of this subsection;
20		4. Publications primarily designed for, and distributed to, members of bona
21		fide associations or charitable or fraternal nonprofit corporations;
22		5. Professional services in drafting bills or resolutions, preparing
23		arguments on these bills or resolutions, or in advising clients and
24		rendering opinions as to the construction and the effect of proposed or
25		pending legislation, if the services are not otherwise connected with
26		lobbying; or

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The action of any person not engaged by an employer who has a direct

1	interest in legislation, if the person, acting under Section 1 of the
2	Kentucky Constitution, assembles together with other persons for their
3	common good, petitions any official listed in this subsection for the
4	redress of grievances, or other proper purposes;
5	(28) "Person" means an individual, proprietorship, firm, partnership, joint venture, joint

- (28) "Person" means an individual, proprietorship, firm, partnership, joint venture, joint stock company, syndicate, business, trust, estate, company, corporation, association, club, committee, organization, or group of persons acting in concert;
- 8 (29) "Public servant" means an elected or appointed officer or employee of a federal or 9 state agency; state institution of higher education; or a city, county, urban-county, 10 or charter county government;
- 11 (30) "State agency" means any department, office, commission, board, or authority 12 within the executive department, and includes state-supported universities and 13 colleges but does not include local boards of education; and
  - (31) "Through others" means a scheme, artifice, or mechanism, the sole purpose of which is to accomplish by indirect means, using third parties, results which would be unlawful under this code if accomplished directly between a legislator or candidate and another person or entity.
  - → Section 8. KRS 6.691 is amended to read as follows:

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(1) The Kentucky Rules of Civil Procedure and the Kentucky Rules of Evidence shall apply to all commission adjudicatory hearings. All testimony in a commission adjudicatory proceeding shall be under oath. All parties shall have the right to call and examine witnesses, to introduce exhibits, to cross-examine witnesses, to submit evidence, and to be represented by counsel and any other due process rights, privileges, and responsibilities of a witness appearing before the courts of the Commonwealth of Kentucky. Before testifying, all witnesses shall be given a copy of the regulations governing commission proceedings. All witnesses shall be entitled to be represented by counsel.

(2)	Any person whose name is mentioned during adjudicatory proceedings of the
	commission and who may be adversely affected thereby may appear personally
	before the commission on the person's own behalf, with or without attorney, to give
	a statement in opposition to such adverse mention or file a written statement of that
	opposition for incorporation into the record of proceeding.

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- 6 (3) All adjudicatory proceedings of the commission carried out pursuant to the 7 provisions of this section shall be public, unless the members vote to go into 8 executive session in accordance with KRS 61.810.
- 9 (4) Within thirty (30) days after the end of an adjudicatory proceeding pursuant to the provisions of this section, the commission shall meet in executive session for the purpose of reviewing the evidence before it. Within thirty (30) days after completion of deliberations, the commission shall publish a written report of its findings and conclusions which shall be based on whether the person accused has complied with the statute as written.
- 15 (5) No penalty provided for in this section shall be imposed except as the result of an adjudicatory proceeding held upon the filing of a complaint. Notwithstanding the administrative penalties provided for in KRS 6.797, 6.807, and 6.821, the commission, upon a finding pursuant to an adjudicatory proceeding that there has been clear and convincing proof of a violation of this code, may:
  - (a) Issue an order requiring the violator to cease and desist the violation;
- 21 (b) Issue an order requiring the violator to file any report, statement, or other 22 information as required by this code;
- 23 (c) In writing, publicly reprimand the violator for potential violations of the law 24 and provide a copy of the reprimand to the presiding officer of the house in 25 which the alleged violator serves;
- 26 (d) In writing, recommend to the house in which the violator serves that the violator be sanctioned as recommended by the commission, which may

1			include a recommendation for censure of expulsion,
2		(e)	Issue an order requiring the violator to pay a civil penalty of not more than
3			two thousand dollars (\$2,000); or
4		(f)	Revoke the registration of any legislative agent or employer for a period not
5			to exceed five (5) years. During the period of the revocation, the agent or
6			employer or any other entity which constitutes nothing more than the
7			legislative agent or employer operating under a different name or identity
8			shall not be permitted to register as a legislative agent or employer.
9	(6)	<u>(a)</u>	The commission has the authority to impose sanctions under this section on
10			a public agency or a lobbyist who are found to have violated Section 1 or 2
11			of this Act.
12		<u>(b)</u>	Notwithstanding subsection (5)(e) of this section, the commission may, in
13			addition to the penalties prescribed in subsection (5) of this section, issue an
14			order requiring a public agency or lobbyist to pay a civil penalty of not less
15			than two thousand dollars (\$2,000) but not more than ten thousand dollars
16			(\$10,000), for each violation of Section 1 or 2 of this Act.
17	<u>(7)</u>	The	commission may refer to the Attorney General, county attorney, or
18		Com	amonwealth's attorney of the appropriate jurisdiction, for prosecution evidence
19		of ci	riminal violations of this code. The Attorney General shall have responsibility
20		for	all prosecutions under the law and may request from the commission all
21		evid	ence collected in its investigation.
22	<u>(8)</u> [(	<del>(7)]</del>	Findings of fact or final determinations by the commission that a violation of
23		this	code has been committed, or any testimony related to the commission's findings
24		of fa	act or final determinations, shall not be admissible in criminal proceedings in
25		the	courts of the Commonwealth of Kentucky. Evidence collected by the
26		com	mission may be used in a criminal proceeding if otherwise relevant.
27	<u>(9)</u> [(	<del>(8)]</del>	Any person found by the commission to have committed a violation of this

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1	code may appeal the action to the Franklin Circuit Court. The appeal shall be
2	initiated within thirty (30) days after the date of the final action of the commission
3	by filing a petition with the court against the commission. The commission shall
4	transmit to the clerk of the court all evidence considered by the commission at the
5	public hearing. The court shall hear the appeal upon the record as certified by the
6	commission.

- 7 → Section 9. KRS 6.945 is amended to read as follows:
- 8 (1) The General Assembly shall not impose requirements on cities of any class that 9 require city expenditures or tax levies unless:
- 10 (a) The requirements are fully funded by the General Assembly; or
- 11 (b) The requirements are contingent on the approval of the city legislative body.
- 12 (2) Subsection (1) of this section shall not apply if the requirements are the result of a
- federal mandate, but in no case shall the requirements described in this section
- extend beyond the requirements of the federal mandate.
- 15 (3) Nothing in this section shall affect the obligations under KRS 6.955 to 6.975,
- 78.510 to 78.852, or any other retirement system or plan established by Kentucky
- 17 law.
- 18 (4) Nothing in this section shall affect the requirements of Section 1 or 2 of this Act.
- → Section 10. KRS 11A.201 is amended to read as follows:
- 20 As used in KRS 11A.201 to 11A.246 and KRS 11A.990:
- 21 (1) "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
- 23 himself or another;
- 24 (2) (a) "Expenditure" means any of the following that is made to, or for the benefit of
- an elected executive official, the secretary of a cabinet listed in KRS 12.250,
- an executive agency official, or a member of the staff of any of the officials
- 27 listed in this paragraph:

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1. A payment, distribution, loan, advance, deposit, reimbursement, or gift of money, real estate, or anything of value, including [,] but not limited to [,] food and beverages, entertainment, lodging, transportation, or honoraria;

- 2. A contract, promise, or agreement to make an expenditure; or
- 3. The purchase, sale, or gift of services or any other thing of value.
- (b) "Expenditure" does not include a contribution, gift, or grant to a foundation or other charitable organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. "Expenditure" does not include the purchase, sale, or gift of services or any other thing of value that is available to the general public on the same terms as it is available to the persons listed in this subsection. "Expenditure" does not include a payment, contribution, gift, purchase, or any other thing of value that is made to or on behalf of any elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or any member of the staff of any of the officials listed in this paragraph who works for a state agency for which the executive agency lobbyist is not registered to influence;
- 18 (3) "Employer" means any person who engages an executive agency lobbyist;
- 19 (4) "Engage" means to make any arrangement, and "engagement" means arrangement, 20 whereby an individual is employed or retained for compensation to act for or on 21 behalf of an employer to influence executive agency decisions or to conduct any 22 executive agency lobbying activity;
- 23 (5) "Financial impact" means to have an effect on the financial position of the 24 employer of the executive agency lobbyist or the real party in interest whether or 25 not the impact is positive or negative;
- 26 (6) (a) "Financial transaction" means a transaction or activity that is conducted or 27 undertaken for profit and arises from the joint ownership, or the ownership, or

1		part ownership in common of any real or personal property or any commercial
2		or business enterprise of whatever form or nature between the following:
3		1. An executive agency lobbyist, his or her employer, a real party in
4		interest, or a member of the immediate family of the executive agency
5		lobbyist, his or her employer, or a real party in interest; and
6		2. Any elected executive official, the secretary of a cabinet listed in KRS
7		12.250, an executive agency official, or any member of the staff of any
8		of the officials listed in this subparagraph.
9		(b) "Financial transaction" does not include any transaction or activity described
10		in paragraph (a) of this subsection if it is available to the general public on the
11		same terms;
12	(7)	"Executive agency" means the office of an elected executive official, a cabinet
13		listed in KRS 12.250, or any other state agency, department, board, or commission
14		controlled or directed by an elected executive official or otherwise subject to his or
15		her authority. "Executive agency" does not include any court or the General
16		Assembly;
17	(8)	"Executive agency decision" means a decision of an executive agency regarding the
18		expenditure of funds of the state or of an executive agency with respect to the
19		award of a contract, grant, lease, or other financial arrangement under which those
20		funds are distributed or allocated. This shall also include decisions made
21		concerning:
22		(a) The parameters of requests for information, and requests for proposals, and
23		other forms of solicitation in KRS Chapter 45A or 176;
24		(b) Drafting, adopting, or implementing a budget provision;
25		(c) Administrative regulations or rules;
26		(d) An executive order; or
27		(e) Legislation or amendments thereto;

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1	(9)	(a)	"Executive agency lobbyist" means any person engaged to influence
2			executive agency decisions or to conduct executive agency lobbying activity
3			as one (1) of his or her main purposes regarding a substantial issue, including
4			associations, coalitions, or public interest entities formed for the purpose of
5			promoting or otherwise influencing executive agency decisions. The term
6			"executive agency lobbyist" shall also include placement agents and
7			unregulated placement agents.

- (b) "Executive agency lobbyist" does not include an elected or appointed officer or employee of a federal or state agency [, state college, state university,] or political subdivision who attempts to influence or affect executive agency decisions in his or her fiduciary capacity as a representative of his or her agency [, college, university,] or political subdivision;
- (10) (a) "Executive agency lobbying activity" means contacts made to promote, advocate, or oppose the passage, modification, defeat, or executive approval or veto of any legislation or otherwise influence the outcome of an executive agency decision by direct communication with an elected executive official, the secretary of any cabinet listed in KRS 12.250, any executive agency official whether in the classified service or not, or a member of the staff of any one (1) of the officials listed in this paragraph.
  - (b) "Executive agency lobbying activity" does not include any of the following:
    - The action of any person having a direct interest in executive agency decisions, if the person acting under Section 1 of the Kentucky Constitution, assembles together with other persons for their common good, petitions any person listed in paragraph (a) of this subsection for the redress of grievances or other proper purposes;
    - Contacts made for the sole purpose of gathering information contained in a public record;

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1		3.	Appearances before public meetings of executive agencies;
2		4.	News, editorial, and advertising statements published in newspapers,
3			journals, or magazines, or broadcast over radio or television;
4		5.	The gathering and furnishing of information and news by bona fide
5			reporters, correspondents, or news bureaus to news media described in
6			subparagraph 4. of this paragraph;
7		6.	Publications primarily designed for, and distributed to, members of bona
8			fide associations or charitable or fraternal nonprofit corporations;
9		7.	Professional services in preparing executive agency decisions, preparing
10			arguments regarding executive agency decisions, or in advising clients
11			and rendering opinions regarding proposed or pending executive agency
12			decisions, if the services are not otherwise connected to lobbying; or
13		8.	Public comments submitted to an executive agency during the public
14			comment period on administrative regulations or rules;
15	(11)	"Executive	agency official" means an officer or employee of an executive agency
16		whose prin	cipal duties are to formulate policy or to participate directly or indirectly
17		in the prep	paration, review, or award of contracts, grants, leases, or other financial
18		arrangemei	nts with an executive agency;
19	(12)	"Aggrieved	l party" means a party entitled to resort to a remedy;
20	(13)	"Elected ex	secutive official" means the Governor, Lieutenant Governor, Secretary of
21		State, Au	ditor of Public Accounts, State Treasurer, Attorney General, and
22		Commissio	oner of Agriculture;
23	(14)	"Person" m	neans an individual, proprietorship, firm, partnership, limited partnership,
24		joint ventu	re, joint stock company, syndicate, business or statutory trust, donative
25		trust, estat	e, company, corporation, limited liability company, association, club,
26		committee,	organization, or group of persons acting in concert;
27	(15)	"Staff" me	ans any employee of the office of the Governor, or a cabinet listed in

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1		KRS 12.250, whose official duties are to formulate policy and who exercises
2		administrative or supervisory authority, or who authorizes the expenditure of state
3		funds;
4	(16)	"Real party in interest" means the person or entity on whose behalf an executive
5		agency lobbyist is acting, if that person or entity is not the employer of the
6		executive agency lobbyist;
7	(17)	"Substantial issue" means contacts which are intended to influence a decision that
8		involves one or more disbursements of state funds in an amount of at least five
9		thousand dollars (\$5,000) per year, or any budget provision, administrative
10		regulation or rule, or legislative matter that financially impacts the executive agency
11		lobbyist or his or her employer;
12	(18)	"Placement agent" means an individual or firm who is compensated or hired by an
13		employer or other real party in interest for the purpose of influencing an executive
14		agency decision regarding the investment of the Kentucky Retirement Systems, the
15		County Employees Retirement System, or the Kentucky Teachers' Retirement
16		System assets; and
17	(19)	"Unregulated placement agent" means a placement agent who is prohibited by
18		federal securities laws and regulations promulgated thereunder from receiving
19		compensation for soliciting a government agency.
20		→ Section 11. KRS 61.990 is amended to read as follows:
21	(1)	Any person who exercises any of the functions of a nonelective peace officer or
22		deputy peace officer in violation of the provisions of KRS 61.300 shall be fined not
23		less than one hundred dollars (\$100) nor more than five hundred dollars (\$500), or
24		imprisoned in the county jail for not more than six (6) months, or both.
25	(2)	Any person who violates any of the provisions of KRS 61.360 shall be fined not

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imprisoned not less than ten (10) days nor more than sixty (60) days, or both.

less than twenty-five dollars (\$25) nor more than five hundred dollars (\$500) or be

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1	(3)	<u>(a)</u> An	y person who willfully violates the provisions of KRS 61.102(1) shall be
2		gu	ilty of a Class A misdemeanor.
3		<u>(b)</u> [(4)]	A court, in rendering a judgment in an action filed under KRS 61.102
4		and	d 61.103, shall order, as it considers appropriate, reinstatement of the
5		em	ployee, the payment of back wages, full reinstatement of fringe benefits
6		and	d seniority rights, exemplary or punitive damages, or any combination
7		the	ereof. A court may also award the complainant all or a portion of the costs
8		of	litigation, including reasonable attorney fees and witness fees.
9	<u>(4)</u>	Any off	icer or employee of a public agency who intentionally violates the
10		provisio	ns of Section 1 or 2 of this Act shall be guilty of a Class A misdemeanor
11		for the f	irst offense and a Class D felony for each subsequent offense.