

1 AN ACT relating to campaign finance.

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

3 ➔Section 1. KRS 121.175 is amended to read as follows:

4 (1) No candidate, committee, or contributing organization shall permit funds in a
5 campaign account to be expended for any purpose other than for allowable
6 campaign expenditures. "Allowable campaign expenditures" means expenditures
7 including reimbursement for actual expenses, made directly and primarily in
8 support of or opposition to a candidate, constitutional amendment, or public
9 question which will appear on the ballot and includes, but is not limited to,
10 expenditures for staff salaries, gifts and meals for volunteer campaign workers,
11 food and beverages provided at a campaign rally, advertising, office space,
12 necessary travel if reported, campaign paraphernalia, purchases of advertisements
13 in athletic and scholastic publications, communications with constituents or
14 prospective voters, polling and consulting, printing, graphic arts, or advertising
15 services, postage, office supplies, stationery, newsletters, and equipment which is
16 used primarily for the administration of the campaign, or for fees incurred from
17 legal services while defending a matter before the Kentucky Legislative Ethics
18 Commission in which the final adjudication is rendered in favor of the candidate.
19 "Allowable campaign expenditures" does not include necessary travel unless
20 reported, expenditures of funds in a campaign account for any purpose made
21 unlawful by other provisions of the Kentucky Revised Statutes or which would
22 bestow a private pecuniary benefit, except for payment of the reasonable value of
23 goods and services provided upon a candidate, member of the candidate's family,
24 committee, or contributing organization, or any of their employees, paid or unpaid,
25 including: tickets to an event which is unrelated to a political campaign or
26 candidacy; items of personal property for distribution to prospective voters except
27 items bearing the name, likeness, or logo of a candidate or a campaign-related

1 communication; expenditures to promote or oppose a candidacy for a leadership
2 position in a governmental, professional, or political organization, or other entity;
3 and equipment or appliances the primary use of which is for purposes outside of the
4 campaign. The provisions of KRS 121.190 notwithstanding, a candidate shall not be
5 required to include a disclaimer on campaign stationery purchased with funds from
6 his campaign account.

7 (2) A member of the General Assembly may utilize funds in his or her campaign
8 account to:

- 9 (a) Contribute up to five thousand dollars (\$5,000) per year to a political party or
10 caucus campaign committee;
- 11 (b) Make allowable campaign expenditures in both election years and nonelection
12 years;
- 13 (c) Upon approval by the President of the Senate or the Speaker of the House of
14 Representatives, depending on the member's chamber:
- 15 1. Attend a conference, meeting, reception, or similar event; or
16 2. Attend an educational course or seminar that maintains or improves
17 skills employed by the member in carrying out the duties of his or her
18 elective office; and
- 19 (d) Pay for fees incurred from legal services while defending a matter arising
20 from his or her campaign or election or the performance of his or her official
21 duties.

22 **(3) (a) The use of campaign funds to pay for the reasonable costs of security**
23 **measures for a state candidate, officeholder, member of his or her family,**
24 **and employees of the candidate's campaign or the officeholder's office, is**
25 **an allowable campaign expenditure, so long as the security measures**
26 **address ongoing dangers or threats that would not exist irrespective of the**
27 **individual's status or duties as a candidate or officeholder. Disbursements**

1 for security measures shall be for the usual and normal charge for such
 2 goods or services.

3 (b) As used in this subsection:

4 1. "Security measure" includes but is not limited to:

5 a. Nonstructural security devices, such as security hardware, locks,
 6 alarm systems, motion detectors, and security camera systems;

7 b. Structural security devices, such as wiring, lighting, gates, doors,
 8 and fencing, so long as such devices are intended solely to
 9 provide security and not to improve the property or increase its
 10 value;

11 c. Security personnel and services that are bona fide, legitimate,
 12 and professional; and

13 d. Cybersecurity software, devices, and services; and

14 2. "Usual and normal charge" means:

15 a. In the case of goods, the price of those goods in the market in
 16 which they are ordinarily purchased; and

17 b. In the case of services, the hourly or piecework charge for the
 18 services at a commercially reasonable rate prevailing at the time
 19 the services were rendered.

20 ~~(4)~~~~(3)~~ By December 31, 1993, the registry shall promulgate administrative
 21 regulations to implement and enforce the provisions of subsection (1) of this
 22 section.

23 ~~(5)~~~~(4)~~ In lieu of the penalties provided in KRS 121.140 and 121.990 for a violation
 24 of this section, the registry may, after hearing:

25 (a) For a violation which was not committed knowingly, order the violator to
 26 repay the amount of campaign funds which were expended for other than
 27 allowable campaign expenditures, and if not repaid within thirty (30) days,

1 may impose a fine of up to one hundred dollars (\$100) for each day the
2 amount is not repaid, up to a maximum fine of one thousand dollars (\$1,000);
3 and

4 (b) For a violation which was committed knowingly, in addition to referring the
5 matter for criminal prosecution, order the violator to repay the amount of
6 campaign funds which were expended for other than allowable campaign
7 expenditures, and if not repaid within thirty (30) days, may impose a fine of
8 up to one hundred dollars (\$100) for each day the amount is not repaid, up to
9 a maximum fine of one thousand dollars (\$1,000).