

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, that is authorized by the candidate or slate
15 of candidates to receive contributions, make expenditures, and generally
16 conduct a campaign for the candidate or slate of candidates, but does not
17 include an entity established solely by a candidate which is managed solely by
18 a candidate and a campaign treasurer and whose name is generic in nature,
19 such as "Friends of (the candidate)," and does not reflect that other persons
20 have structured themselves as a committee, designated officers of the
21 committee, and assigned responsibilities and duties to each officer with the
22 purpose of managing a campaign to support or oppose a candidate in an
23 election;

24 (b) "Independent expenditure-only committee," which means one (1) or more
25 persons who receive unlimited contributions for the purpose of making only
26 independent expenditures to support or oppose one (1) or more specific
27 candidates or slates of candidates for nomination or election to any state,

1 county, city, or district office;

2 (c) "Caucus campaign committee," which means members of one (1) of the
3 following caucus groups who receive contributions and make expenditures to
4 support or oppose one (1) or more specific candidates or slates of candidates
5 for nomination or election, or a committee:

6 1. House Democratic caucus campaign committee;

7 2. House Republican caucus campaign committee;

8 3. Senate Democratic caucus campaign committee;

9 4. Senate Republican caucus campaign committee; or

10 5. Subdivisions of the state executive committee of a minor political party,
11 which serve the same function as the above-named committees, as
12 determined by regulations promulgated by the registry;

13 (d) "Political issues committee," which means three (3) or more persons joining
14 together to advocate or oppose a constitutional amendment or public question
15 which appears on the ballot if that committee receives or expends money in
16 excess of one thousand dollars (\$1,000);

17 (e) "Permanent committee," which means a group of individuals, including an
18 association, committee, or organization, other than a campaign committee,
19 independent expenditure-only committee, federally registered political
20 committee, political issues committee, inaugural committee, caucus campaign
21 committee, or party executive committee, which is established as, or intended
22 to be, a permanent organization having as a primary purpose expressly
23 advocating the election or defeat of one (1) or more clearly identified
24 candidates, slates of candidates, or political parties, which functions on a
25 regular basis throughout the year;

26 (f) An executive committee of a political party; and

27 (g) "Inaugural committee," which means one (1) or more persons who receive

1 contributions and make expenditures in support of inauguration activities for
2 any candidate or slate of candidates elected to any state, county, city, or
3 district office;

4 (4) "Contributing organization" means a group which merely contributes to candidates,
5 slates of candidates, campaign committees, caucus campaign committees, or
6 executive committees from time to time from funds derived solely from within the
7 group, and which does not solicit or receive funds from sources outside the group
8 itself. Any contributions made by the groups in excess of one hundred dollars
9 (\$100) shall be reported to the registry;

10 (5) "Testimonial affair" means an affair held in honor of a person who holds or who is
11 or was a candidate for nomination or election to a political office in this state
12 designed to raise funds for any purpose not charitable, religious, or educational;

13 (6) "Contribution" means any:

14 (a) Payment, distribution, loan, deposit, or gift of money or other thing of value,
15 to a candidate, his or her agent, a slate of candidates, its authorized agent, a
16 committee, or contributing organization. As used in this subsection, "loan"
17 shall include a guarantee, endorsement, or other form of security where the
18 risk of nonpayment rests with the surety, guarantor, or endorser, as well as
19 with a committee, contributing organization, candidate, slate of candidates, or
20 other primary obligor. No person shall become liable as surety, endorser, or
21 guarantor for any sum in any one (1) election which, when combined with all
22 other contributions the individual makes to a candidate, his or her agent, a
23 slate of candidates, its agent, a committee, or a contributing organization,
24 exceeds the contribution limits provided in KRS 121.150;

25 (b) Payment by any person other than the candidate, his or her authorized
26 treasurer, a slate of candidates, its authorized treasurer, a committee, or a
27 contributing organization, of compensation for the personal services of

1 another person which are rendered to a candidate, slate of candidates,
2 committee, or contributing organization, or for inauguration activities;

3 (c) Goods, advertising, or services with a value of more than one hundred dollars
4 (\$100) in the aggregate in any one (1) election which are furnished to a
5 candidate, slate of candidates, committee, or contributing organization or for
6 inauguration activities without charge, or at a rate which is less than the rate
7 normally charged for the goods or services; or

8 (d) Payment by any person other than a candidate, his or her authorized treasurer,
9 a slate of candidates, its authorized treasurer, a committee, or contributing
10 organization for any goods or services with a value of more than one hundred
11 dollars (\$100) in the aggregate in any one (1) election which are utilized by a
12 candidate, slate of candidates, committee, or contributing organization, or for
13 inauguration activities;

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

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

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

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

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

- 1 (9) "Slate of candidates" means:
- 2 (a) Between the time a certificate or petition of nomination has been filed for a
- 3 candidate for the office of Governor under KRS 118.365 and the time the
- 4 candidate designates a running mate for the office of Lieutenant Governor
- 5 under KRS 118.126, a slate of candidates consists of the candidate for the
- 6 office of Governor; and
- 7 (b) After that candidate has designated a running mate under KRS 118.126, that
- 8 same slate of candidates consists of that same candidate for the office of
- 9 Governor and the candidate's running mate for the office of Lieutenant
- 10 Governor. Unless the context requires otherwise, any provision of law that
- 11 applies to a candidate shall also apply to a slate of candidates;
- 12 (10) "Knowingly" means, with respect to conduct or to a circumstance described by a
- 13 statute defining an offense, that a person is aware or should have been aware that
- 14 his or her conduct is of that nature or that the circumstance exists;
- 15 (11) "Fundraiser" means an individual who directly solicits and secures contributions on
- 16 behalf of a candidate or slate of candidates for a statewide-elected state office or an
- 17 office in a jurisdiction with a population in excess of two hundred thousand
- 18 (200,000) residents;
- 19 (12) "Independent expenditure" means the expenditure of money or other things of value
- 20 for a communication which expressly advocates the election or defeat of a clearly
- 21 identified candidate or slate of candidates, and which is made without any
- 22 coordination, consultation, or cooperation with any candidate, slate of candidates,
- 23 campaign committee, or any authorized person acting on behalf of any of them, and
- 24 which is not made in concert with, or at the request or suggestion of any candidate,
- 25 slate of candidates, campaign committee, or any authorized person acting on behalf
- 26 of any of them;
- 27 (13) "Electronic reporting" means the use of technology, having electrical, digital,

1 magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an
2 individual or other entity submits, compiles, or transmits campaign finance reports
3 to the registry, or by which the registry receives, stores, analyzes, or discloses the
4 reports;

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

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

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

15 (17) "Filer-side software" means software provided to or used by the filer that enables
16 transmittal of financial reports to the registry;

17 (18) "Form" means an online web page or an electronic document designed to capture,
18 validate, and submit data for processing to the registry, unless the context otherwise
19 prescribes;~~and~~

20 (19) "Reasonable cause" means an event, happening, or circumstance entirely beyond
21 the knowledge or control of the candidate, slate of candidates, or committee, which
22 has exercised due care and prudence in maintaining the records of the campaign or
23 committee pursuant to statute or administrative regulation; and

24 **(20) "Campaign consultant" means any person or entity that provides one (1) or more**
25 **of the following services for pay: social media and legacy media strategy, creating**
26 **and buying ads and other branded material, research and polling, analyzing and**
27 **collecting data, voter targeting and field planning, fundraising, writing press**

1 releases, organizing campaign rallies and events, or writing speeches. A
2 registered agent shall be considered a campaign consultant if the registered agent
3 provides any of the above services with or without pay. A person or entity
4 convicted of fraud, bribery, or electioneering shall be prohibited from serving as a
5 campaign consultant.

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

8 (1) Each campaign consultant and employer, within seven (7) days following
9 engagement of a campaign consultant, shall file with the registry an initial
10 registration statement listing the following:

11 (a) The name, business address, telephone number, and occupation of the
12 campaign consultant;

13 (b) The name, brief description of the nature of the business, nature and
14 identity of the organized association, coalition, or public interest entity, and
15 business address and telephone number of the employer. For the purposes
16 of this section, if a trade association or other charitable or fraternal
17 organization that is exempt from federal income taxation under Section
18 501(c) of the Internal Revenue Code is the employer, the statement shall not
19 list the names and addresses of each member of the association or
20 organization if the association or organization itself is listed;

21 (c) The date on which the campaign consultant was engaged; and

22 (d) Certification by the employer and campaign consultant that the information
23 contained in the registration statement is complete and accurate.

24 (2) The registration shall be valid through the next thirty-first day of December of an
25 odd-numbered year, unless previously terminated.

26 (3) (a) In addition to the initial registration statement required by subsection (1) of
27 this section, each campaign consultant and employer shall file an updated

- 1 registration statement with the registry to be received by the registry not
2 later than 4 p.m. on the fifteenth day of January, February, March, April,
3 May, and September of each year, for the period since the end of the period
4 covered by the previous report until the last day of the month preceding the
5 filing date. The registry may grant a reasonable extension of time for filing
6 the updated registration statement for good cause shown.
- 7 (b) The updated registration statement shall confirm the continuing existence
8 of each engagement described in an initial registration statement.
- 9 (4) If a campaign consultant is engaged by more than one (1) employer, the
10 consultant shall file a separate initial and updated registration statement for each
11 engagement. If an employer engages more than one (1) campaign consultant, the
12 employer shall file only one (1) updated registration statement under subsection
13 (3) of this section that shall contain the information required by that subsection
14 regarding all campaign consultants engaged by the employer.
- 15 (5) (a) A change in any information required by subsection (1)(a) or (b) of this
16 section shall be reflected in the next updated registration statement filed
17 under subsection (3) of this section.
- 18 (b) Within thirty (30) days after the termination of an engagement, the
19 campaign consultant who was employed under the engagement shall file
20 written notice of the termination with the registry.
- 21 (c) If the termination of a campaign consultant leaves an employer without the
22 engagement of any campaign consultants, within thirty (30) days after the
23 termination, the employer shall file written notice with the registry of its
24 intent to terminate its current registration.
- 25 (6) Upon registration under subsection (1) of this section, the campaign consultant
26 shall be issued a card by the registry, showing that the campaign consultant is
27 registered. The registration card shall be valid from the date of its issuance

1 through the next thirty-first day of December of an odd-numbered year.

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

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

13 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO
14 READ AS FOLLOWS:

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

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