

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) **(a)** 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.

7 **(b) As used in this section,** "allowable campaign expenditures":

8 **1.** Means expenditures including reimbursement for actual expenses, made
9 directly and primarily in support of or opposition to a candidate,
10 constitutional amendment, or public question which will appear on the
11 ballot and includes, but is not limited to, expenditures for staff salaries,
12 gifts and meals for volunteer campaign workers and fundraisers, food
13 and beverages provided at a campaign rally, advertising, office space,
14 necessary travel if reported, campaign paraphernalia, purchases of
15 advertisements in athletic and scholastic publications, communications
16 with constituents or prospective voters, polling and consulting, printing,
17 graphic arts, or advertising services, postage, office supplies, stationery,
18 newsletters, and equipment which is used primarily for the
19 administration of the campaign, or for fees incurred from legal services
20 while defending a matter before the Kentucky Legislative Ethics
21 Commission in which the final adjudication is rendered in favor of the
22 candidate; **and** [.]

23 **2.** **["Allowable campaign expenditures"]** Does not include necessary travel
24 unless reported, expenditures of funds in a campaign account for any
25 purpose made unlawful by other provisions of the Kentucky Revised
26 Statutes or which would bestow a private pecuniary benefit, except for
27 payment of the reasonable value of goods and services provided upon a

1 candidate, member of the candidate's family, committee, or contributing
2 organization, or any of their employees, paid or unpaid, including:
3 tickets to an event which is unrelated to a political campaign or
4 candidacy; items of personal property for distribution to prospective
5 voters except items bearing the name, likeness, or logo of a candidate or
6 a campaign-related communication; expenditures to promote or oppose
7 a candidacy for a leadership position in a governmental, professional, or
8 political organization, or other entity; and equipment or appliances the
9 primary use of which is for purposes outside of the campaign.

10 (c) The provisions of KRS 121.190 notwithstanding, a candidate shall not be
11 required to include a disclaimer on campaign stationery purchased with funds
12 from his campaign account.

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

15 (a) Contribute up to five thousand dollars (\$5,000) per year to a political party or
16 caucus campaign committee;

17 (b) Contribute directly to another candidate, slate of candidates, political party, or
18 caucus campaign committee until his or her campaign funds have been
19 exhausted and the account has been closed, if the amount of the contribution
20 does not exceed the contribution limits contained in KRS 121.150(6) and (11);

21 (c) Make allowable campaign expenditures in both election years and nonelection
22 years;

23 (d) Upon approval by the President of the Senate or the Speaker of the House of
24 Representatives, depending on the member's chamber:

25 1. Attend a conference, meeting, reception, or similar event; or

26 2. Attend an educational course or seminar that maintains or improves
27 skills employed by the member in carrying out the duties of his or her

2 (e) Pay for fees incurred from legal services while defending a matter arising
3 from his or her campaign or election or the performance of his or her official
4 duties.

5 (3) (a) The use of campaign funds to pay for the reasonable costs of security
6 measures for a state candidate, officeholder, member of his or her family,
7 and employees of the candidate's campaign or the officeholder's office is an
8 allowable campaign expenditure, so long as the security measures address
9 ongoing dangers or threats that would not exist irrespective of the
10 individual's status or duties as a candidate or officeholder. Disbursements
11 for security measures shall be for the usual and normal charge for such
12 goods or services.

13 (b) *As used in this subsection:*

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

15 a. Nonstructural security devices, such as security hardware, locks,
16 *alarm systems, motion detectors, and security camera systems;*

17 b. Structural security devices, such as wiring, lighting, gates, doors,
18 and fencing, so long as such devices are intended solely to
19 provide security and not to improve the property or increase its
20 value;

d. Cybersecurity software, devices, and services; and

24 2. *"Usual and normal charge" means:*

27 b. *In the case of services, the hourly or piecework charge for the*

services at a commercially reasonable rate prevailing at the time the services are rendered.

3 (4)(3) The registry shall promulgate administrative regulations to implement and
4 enforce the provisions of subsection (1) of this section.

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

7 (a) For a violation which was not committed knowingly, order the violator to
8 repay the amount of campaign funds which were expended for other than
9 allowable campaign expenditures, and if not repaid within thirty (30) days,
10 may impose a fine of up to one hundred dollars (\$100) for each day the
11 amount is not repaid, up to a maximum fine of one thousand dollars (\$1,000);
12 and

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