

FREE CONFERENCE COMMITTEE REPORT

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The Free Conference Committee on **HB 503** has met as provided in the Rules of the House and Senate and hereby reports the following to be adopted:

_____ **GA** X **SCS** _____ **HCS**

For the above-referenced bill, with these amendments (if applicable):

Committee (list by chamber and number): _____;

Floor (list by chamber and number): _____; and

The following Free Conference Committee action:

Beginning on page 1, after line 3, delete all language in its entirety and insert in lieu thereof the following:

"➔Section 1. The Legislative Branch Budget is as follows:

PART I

OPERATING BUDGET

Funds Appropriations: Funds are appropriated to the Legislative Research Commission for the Legislative Branch of government out of the General Fund and Restricted Funds accounts for the fiscal year beginning July 1, 2026, and ending June 30, 2027, and for the fiscal year beginning July 1, 2027, and ending June 30, 2028, in the following discrete sums, or so much thereof as may be necessary. Each appropriation is made by the source of respective fund or funds accounts to be used for the purposes of the Legislative Branch of government of the Commonwealth of Kentucky.

A. LEGISLATIVE BRANCH

Budget Units

2026-27 **2027-28**

1. General Assembly

| | | | |
|---|------------------|------------|------------|
| 1 | General Fund | 23,908,000 | 25,920,200 |
| 2 | Restricted Funds | 75,000 | 175,000 |
| 3 | TOTAL | 23,983,000 | 26,095,200 |

4 **(1) Kentucky Legislative Ethics Commission:** Included in the above General Fund
 5 appropriation is \$567,700 in each fiscal year of the 2026-2028 fiscal biennium for the Kentucky
 6 Legislative Ethics Commission. Included in the above Restricted Funds appropriation is \$75,000
 7 in fiscal year 2026-2027 and \$175,000 in fiscal year 2027-2028 for the Kentucky Legislative
 8 Ethics Commission.

9 **(2) Kentucky Long-Term Policy Research Center:** Notwithstanding KRS 7B.010 to
 10 7B.090, operation of the Kentucky Long-Term Policy Research Center and its governing board
 11 shall continue to be suspended effective July 1, 2026, and shall remain suspended for the 2026-
 12 2028 fiscal biennium or until funding is restored. No funds are appropriated for the Kentucky
 13 Long-Term Policy Research Center for fiscal year 2026-2027 and fiscal year 2027-2028.

14 **(3) Pension Benefit Increase:** Notwithstanding KRS 6.521(3), no pension benefit
 15 increase shall be granted to recipients of a retirement allowance under KRS 6.500 to 6.577 on
 16 July 1, 2026.

17 **(4) Legislators Compensation:** Notwithstanding KRS 6.190 and 6.213, the daily
 18 compensation provided by KRS 6.190 and the interim expense allowance provided by KRS
 19 6.213 for members of the General Assembly shall be as authorized by the 2024-2026 biennium
 20 and shall continue as adjusted on January 1, 2027, by the salary increment provided to state
 21 employees in the State/Executive Branch Budget.

| | | |
|--|----------------|----------------|
| | 2026-27 | 2027-28 |
|--|----------------|----------------|

23 **2. Legislative Research Commission**

| | | | |
|----|--------------|------------|------------|
| 24 | General Fund | 66,218,400 | 66,804,500 |
|----|--------------|------------|------------|

25 **(1) Legislative Record:** Notwithstanding KRS 7.105, distribution of the final issue of
 26 the Legislative Record and the interim Legislative Record shall be suspended effective July 1,
 27 2026.

1 or unconstitutional, the decision of the courts shall not affect or impair any of the remaining
2 sections, subsections, or provisions.

3 **4. Duplicate Appropriation:** Any appropriation item and sum in this Act and in an
4 appropriation provision in another Act of the 2026 Regular Session of the General Assembly
5 which constitutes a duplicate appropriation shall be governed by KRS 48.312.

6 **5. Priority of Individual Appropriations:** KRS 48.313 shall control when a total or
7 subtotal figure in this Act conflicts with the sum of the appropriations of which it consists.

8 **6. Appropriations Revisions:** Proposed revisions to Restricted Funds appropriations in
9 this Act shall be made and reported pursuant to KRS 48.630(10).

10 **7. Allowance in Lieu of Stationery:** Notwithstanding KRS 6.220, in lieu of stationery,
11 there shall be allowed to each member of the House of Representatives the sum of \$350 and to
12 each member of the Senate the sum of \$650. This allowance shall be paid out of the State
13 Treasury at the beginning of each legislative session.

14 **8. Salary Adjustments:** In each fiscal year, employees of the Legislative Research
15 Commission shall receive a salary adjustment in accordance with the salary adjustment provided
16 to state employees in the State/Executive Branch Budget.

17 **9. Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses shall be
18 paid out of an administrative account which shall be funded by transfers of the necessary
19 moneys, in appropriate ratio, from the funds provided for in KRS 21.550 and 21.560.

20 **10. Capitol and Capitol Annex Renovations:** Notwithstanding any statute or
21 contractual terms or conditions to the contrary, the President of the Senate and the Speaker of the
22 House of Representatives, or their designees, are authorized to meet, consult, and communicate
23 directly with any contracted professional services provider, including but not limited to
24 architects, design consultants, historic preservation consultants, construction managers, and
25 subcontractors, regarding any renovation, repair, or construction project for the State Capitol and
26 Capitol Annex without the presence of the Finance and Administration Cabinet or its
27 representatives. Nothing in this section shall be construed to alter, limit, or supersede the

1 authority of the Finance and Administration Cabinet with respect to procurement, contract
2 administration, or project oversight, and does not authorize direction to contractors that is
3 inconsistent with the terms of any contract or applicable law.

4 **11. Special Temporary Nonprofit License:** (1) Notwithstanding any provisions of KRS
5 Chapters 241 to 244 or administrative regulations promulgated thereunder to the contrary, a
6 special temporary nonprofit license shall be issued to a nonprofit organization or the organizer or
7 sponsor of a state, regional, or national conference for its use at state, regional, or national
8 conferences, which shall not include a political campaign fundraiser.

9 (2) A special temporary nonprofit license shall authorize the holder and its employees or
10 agents to purchase, transport, receive, possess, store, sell, donate, deliver, and serve alcoholic
11 beverages, including wine, malt beverages, and distilled spirits, to be sold by the package or the
12 drink, or to be served free of charge by the drink, in person to attendees of state, regional, or
13 national conferences, by auction, or by raffle, or sold or served free of charge by the drink to
14 attendees of state, regional, or national conferences, and to receive alcoholic beverages from
15 distillers, rectifiers, wineries, small farm wineries, brewers, microbreweries, wholesalers,
16 distributors, retailers, or any other person, by gift, donation, or delivery for its use at a state,
17 regional, or national conference.

18 (3) The location at which the alcoholic beverages are auctioned, sold, raffled, served, or
19 consumed under the provisions of this section shall not constitute a public place for the purposes
20 of KRS Chapter 222. Nonprofit events, including state, regional, or national conferences, may be
21 conducted on licensed or unlicensed premises.

22 (4) A special temporary nonprofit license shall not be issued for any period longer than
23 30 days.

24 (5) Notwithstanding any other provision of KRS Chapters 241 to 244, a distiller,
25 rectifier, winery, small farm winery, brewer, microbrewery, wholesaler, distributor, or retailer
26 may donate, give away, or deliver any of its products to a nonprofit organization or the organizer
27 or sponsor of a state, regional, or national conference possessing a special temporary nonprofit

1 license.

2 (6) Nothing herein shall prohibit the employees of an entity that holds a special
3 temporary nonprofit license from serving or selling wine, malt beverages, and distilled spirits by
4 the drink to attendees of state, regional, or national conference.

5 (7) Nothing in this section shall prohibit the employees of retail drink licensees,
6 including but not limited to NQ1, NQ2, NQ3, and licensed caterers from serving or selling wine,
7 malt beverages, and distilled spirits by the drink at a state, regional, or national conference on the
8 account of or on behalf of a nonprofit organization or the organizer or sponsor of a state,
9 regional, or national conference that holds a special temporary nonprofit license.

10 **PART III**

11 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

12 The Legislative Branch shall participate in any Budget Reduction Plan or Surplus
13 Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to the
14 constitutional duties of the Legislative Branch shall be exempt from any Budget Reduction Plan.
15 The level of participation in a Budget Reduction Plan shall be at the discretion of the Director
16 and shall not exceed the actual percentage of revenue shortfall."
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Senate Members

House Members

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE

For Clerk's Use:

Adopted: _____

Repassage Vote: _____