

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

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

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

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

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

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

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

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

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

27 2. Attend an educational course or seminar that maintains or improves

1 skills employed by the member in carrying out the duties of his or her
2 elective office; and

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

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

13 **1. Be for the usual and normal charge for such goods or services; and**

14 **2. Not exceed fifteen thousand dollars (\$15,000) per fiscal year.**

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

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

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

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

23 **c. Security personnel and services that are bona fide, legitimate,**
24 **and professional; and**

25 **d. Cybersecurity software, devices, and services; and**

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

27 **a. In the case of goods, the price of those goods in the market in**

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which they are ordinarily purchased; and

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

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services at a commercially reasonable rate prevailing at the time

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the services are rendered.

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

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

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

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

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