

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 ballot measure if that committee receives or  
15 expends money in excess of one thousand dollars (\$1,000);
- 16 (e) "Permanent committee," which means a group of individuals, including an  
17 association, committee, or organization, other than a campaign committee,  
18 independent expenditure-only committee, federally registered political  
19 committee, political issues committee, inaugural committee, caucus campaign  
20 committee, or party executive committee, which is established as, or intended  
21 to be, a permanent organization having as a primary purpose expressly  
22 advocating the election or defeat of one (1) or more clearly identified  
23 candidates, slates of candidates, or political parties, which functions on a  
24 regular basis throughout the year;
- 25 (f) An executive committee of a political party; and
- 26 (g) "Inaugural committee," which means one (1) or more persons who receive  
27 contributions and make expenditures in support of inauguration activities for

1           any candidate or slate of candidates elected to any state, county, city, or  
2           district office;

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

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

12       (6) "Contribution" means any:

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

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

- 1 committee, or contributing organization, or for inauguration activities;
- 2 (c) Goods, advertising, or services with a value of more than one hundred dollars  
3 (\$100) in the aggregate in any one (1) election which are furnished to a  
4 candidate, slate of candidates, committee, or contributing organization or for  
5 inauguration activities without charge, or at a rate which is less than the rate  
6 normally charged for the goods or services; or
- 7 (d) Payment by any person other than a candidate, his or her authorized treasurer,  
8 a slate of candidates, its authorized treasurer, a committee, or contributing  
9 organization for any goods or services with a value of more than one hundred  
10 dollars (\$100) in the aggregate in any one (1) election which are utilized by a  
11 candidate, slate of candidates, committee, or contributing organization, or for  
12 inauguration activities;
- 13 (7) Notwithstanding the foregoing meanings of "contribution," the word shall not be  
14 construed to include:
- 15 (a) Services provided without compensation by individuals volunteering a portion  
16 or all of their time on behalf of a candidate, a slate of candidates, committee,  
17 or contributing organization;
- 18 (b) A loan of money by any financial institution doing business in Kentucky  
19 made in accordance with applicable banking laws and regulations and in the  
20 ordinary course of business; or
- 21 (c) An independent expenditure by any individual or permanent committee;
- 22 (8) "Candidate" means any person who has received contributions or made  
23 expenditures, has appointed a campaign treasurer, or has given his or her consent  
24 for any other person to receive contributions or make expenditures with a view to  
25 bringing about his or her nomination or election to a nonfederal public office,  
26 except as provided in KRS 121.180(10)(b);
- 27 (9) "Slate of candidates" means:

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

- 1 (b) The expenditure of money or other things of value for a communication which  
2 expressly advocates or opposes a ballot measure, and which:
- 3 1. Is made without any coordination, consultation, or cooperation with any  
4 political issues committee, or any authorized person acting on behalf of  
5 a political issues committee; and
  - 6 2. Is not made in concert with, or at the request or suggestion of, any  
7 political issues committee, or any authorized person acting on behalf of  
8 a political issues committee;
- 9 (13) "Electronic reporting" means the use of technology, having electrical, digital,  
10 magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an  
11 individual or other entity submits, compiles, or transmits campaign finance reports  
12 to the registry, or by which the registry receives, stores, analyzes, or discloses the  
13 reports;
- 14 (14) "Security procedure" means a procedure employed for the purpose of verifying that  
15 an electronic signature, record, or performance is that of a specific person or for  
16 detecting changes or errors in the information in an electronic record. The term  
17 includes a procedure that requires the use of algorithms or other codes, identifying  
18 words or numbers, encryption, or callback or other acknowledgment procedures;
- 19 (15) "Electronic signature" means an electronic sound, symbol, or process attached to or  
20 logically associated with a record and executed or adopted by a person with the  
21 intent to sign the record;
- 22 (16) "Filer" means any candidate, a slate of candidates, committee, or other individual or  
23 entity required to submit financial disclosure reports to the registry;
- 24 (17) "Filer-side software" means software provided to or used by the filer that enables  
25 transmittal of financial reports to the registry;
- 26 (18) "Form" means an online web page or an electronic document designed to capture,  
27 validate, and submit data for processing to the registry, unless the context otherwise

1 prescribes;

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

6 (20) "Foreign national" means:

7 (a) An individual who is not a citizen or lawful permanent resident of the United  
8 States;

9 (b) A government, political subdivision, or municipality of a foreign country;

10 (c) A foreign political party;

11 (d) Any entity, including but not limited to a partnership, association, corporation,  
12 organization, or other combination of persons, that is organized under the  
13 laws of or has its principal place of business in a foreign country; or

14 (e) Any entity in the United States, including but not limited to a partnership,  
15 association, corporation, or organization that is wholly or majority owned by  
16 any foreign national, unless:

17 1. Any contribution or expenditure the entity makes derives entirely from  
18 funds generated by the entity's United States operations; and

19 2. All decisions concerning the contribution or expenditure, except for  
20 setting overall budget amounts, are made by individuals who are United  
21 States citizens or permanent residents;

22 (21) "Ballot measure" means a question, other than the nomination or election of a  
23 candidate for public office, which has been:

24 (a) Approved by a political subdivision or the General Assembly and is required  
25 by law to be placed before the voters of the territory affected; or

26 (b) Initiated or referred by citizen petition as authorized by KRS 242.020 and  
27 placed before the voters of the territory affected;

1 (22) "Preliminary activity" includes but is not limited to:

- 2 (a) Participating in focus groups;  
 3 (b) Making telephone calls;  
 4 (c) Traveling;  
 5 (d) Conducting polls; and  
 6 (e) Drafting ballot measure language;~~and~~

7 (23) "Tax-exempt organization" means an organization described in 26 U.S.C. sec.  
 8 501(c) and exempt from federal taxation under 26 U.S.C. sec. 501(a). This  
 9 subsection shall not be construed to treat a political organization under 26 U.S.C.  
 10 sec. 527 as a tax-exempt organization for purposes of this chapter; and

11 **(24) "Campaign consultant" means any person or entity that provides one (1) or more**  
 12 **of the following services for pay: social media and legacy media strategy, creating**  
 13 **and buying ads and other branded material, research and polling, analyzing and**  
 14 **collecting data, voter targeting and field planning, fundraising, writing press**  
 15 **releases, organizing campaign rallies and events, or writing speeches. A**  
 16 **registered agent shall be considered a campaign consultant if the registered agent**  
 17 **provides any of the above services with or without pay. A person or entity**  
 18 **convicted of fraud, bribery, or electioneering shall be prohibited from serving as a**  
 19 **campaign consultant.**

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

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

25 **(a) The name, business address, telephone number, and occupation of the**  
 26 **campaign consultant;**

27 **(b) The name, brief description of the nature of the business, nature and**

- 1           identity of the organized association, coalition, or public interest entity, and  
2           business address and telephone number of the employer. For the purposes  
3           of this section, if a trade association or other charitable or fraternal  
4           organization that is exempt from federal income taxation under Section  
5           501(c) of the Internal Revenue Code is the employer, the statement shall not  
6           list the names and addresses of each member of the association or  
7           organization, if the association or organization itself is listed;  
8           (c) The date on which the campaign consultant was engaged; and  
9           (d) Certification by the employer and campaign consultant that the information  
10           contained in the registration statement is complete and accurate.  
11           (2) The registration shall be valid through the next thirty-first day of December of an  
12           odd-numbered year, unless previously terminated.  
13           (3) (a) In addition to the initial registration statement required by subsection (1) of  
14           this section, each campaign consultant and employer shall file an updated  
15           registration statement with the registry to be received by the registry, not  
16           later than 4 p.m. on the fifteenth day of January, February, March, April,  
17           May, and September of each year, for the period since the end of the period  
18           covered by the previous report until the last day of the month preceding the  
19           filing date. The registry may grant a reasonable extension of time for filing  
20           the updated registration statement for good cause shown.  
21           (b) The updated registration statement shall confirm the continuing existence  
22           of each engagement described in an initial registration statement.  
23           (4) If a campaign consultant is engaged by more than one (1) employer, the  
24           consultant shall file a separate initial and updated registration statement for each  
25           engagement. If an employer engages more than one (1) campaign consultant, the  
26           employer shall file only one (1) updated registration statement under subsection  
27           (3) of this section, which shall contain the information required by subsection (3)

1 of this section regarding all campaign consultants engaged by the employer.

2 (5) (a) A change in any information required by subsection (1)(a) or (b) of this  
3 section shall be reflected in the next updated registration statement filed  
4 under subsection (3) of this section.

5 (b) Within thirty (30) days after the termination of an engagement, the  
6 campaign consultant who was employed under the engagement shall file  
7 written notice of the termination with the registry.

8 (c) If the termination of a campaign consultant leaves an employer without the  
9 engagement of any campaign consultants, within thirty (30) days after the  
10 termination, the employer shall file written notice with the registry of its  
11 intent to terminate its current registration.

12 (6) Upon registration pursuant to subsection (1) of this section, the campaign  
13 consultant shall be issued a card by the registry, showing that the campaign  
14 consultant is registered. The registration card shall be valid from the date of its  
15 issuance through the next thirty-first day of December of an odd-numbered year.

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

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

27 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO

1 READ AS FOLLOWS:

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

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