

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:

- (a) Between the time a certificate or petition of nomination has been filed for a candidate for the office of Governor under KRS 118.365 and the time the candidate designates a running mate for the office of Lieutenant Governor under KRS 118.126, a slate of candidates consists of the candidate for the office of Governor; and
- (b) After that candidate has designated a running mate under KRS 118.126, that same slate of candidates consists of that same candidate for the office of Governor and the candidate's running mate for the office of Lieutenant Governor. Unless the context requires otherwise, any provision of law that applies to a candidate shall also apply to a slate of candidates;

(10) "Knowingly" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or should have been aware that his or her conduct is of that nature or that the circumstance exists;

(11) "Fundraiser" means an individual who directly solicits and secures contributions on behalf of a candidate or slate of candidates for a statewide-elected state office or an office in a jurisdiction with a population in excess of two hundred thousand (200,000) residents;

(12) "Independent expenditure" means:

- (a) The expenditure of money or other things of value for a communication which expressly advocates the election or defeat of a clearly identified candidate or slate of candidates, and which:
 1. Is made without any coordination, consultation, or cooperation with any candidate, slate of candidates, campaign committee, or any authorized person acting on behalf of any of them; and
 2. Is not made in concert with, or at the request or suggestion of any candidate, slate of candidates, campaign committee, or any authorized 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) "Expenditure" means a payment, contribution, loan, or promise of payment of**
12 **money or anything of ascertainable monetary value for goods, materials, services,**
13 **or facilities in assistance of, or in opposition to, the nomination or election of a**
14 **candidate, or the passage or defeat of a ballot question. For reporting purposes,**
15 **an expenditure is considered to be made at the time the payment, contribution,**
16 **loan, or promise of payment of money is obligated.**

17 ➔Section 2. KRS 121.150 is amended to read as follows:

18 (1) No contribution shall be made or received, directly or indirectly, other than an
19 independent expenditure, to support inauguration activities or to support or defeat a
20 candidate, slate of candidates, constitutional amendment, or public question which
21 will appear on the ballot in an election, except through the duly appointed campaign
22 manager, or campaign treasurer of the candidate, slate of candidates, or registered
23 committee. Any person making an independent expenditure, shall report these
24 expenditures when the expenditures by that person exceed five hundred dollars
25 (\$500) in the aggregate in any one (1) election, on a form provided or using a
26 format approved by the registry and shall sign a statement on the form, under
27 penalty of perjury, that the expenditure was an actual independent expenditure and

1 that there was no prior communication with the campaign on whose behalf it was
2 made.

3 (2) Except as provided in KRS 121.180(10), the solicitation from and contributions by
4 campaign committees, independent expenditure-only committees, caucus campaign
5 committees, political issues committees, permanent committees, and party
6 executive committees to any religious, charitable, civic, eleemosynary, or other
7 causes or organizations established primarily for the public good is expressly
8 prohibited; except that it shall not be construed as a violation of this section for a
9 candidate or a slate of candidates to contribute to religious, civic, or charitable
10 groups.

11 (3) No candidate, slate of candidates, committee, or contributing organization, nor
12 anyone acting on their behalf, shall accept any anonymous contribution in excess of
13 one hundred dollars (\$100), and all anonymous contributions in excess of one
14 hundred dollars (\$100) shall be returned to the donor, if the donor can be
15 determined. If no donor is found, the contribution shall escheat to the state. No
16 candidate, slate of candidates, committee, or contributing organization, nor anyone
17 acting on their behalf shall accept anonymous contributions in excess of two
18 thousand dollars (\$2,000) in the aggregate in any one (1) election. Anonymous
19 contributions in excess of two thousand dollars (\$2,000) in the aggregate which are
20 received in any one (1) election shall escheat to the state.

21 (4) No candidate, slate of candidates, committee, or contributing organization, nor
22 anyone on their behalf, shall accept a cash contribution in excess of one hundred
23 dollars (\$100) in the aggregate from each contributor in any one (1) election. No
24 candidate, slate of candidates, committee, or contributing organization, nor anyone
25 on their behalf, shall accept a cashier's check or money order in excess of the
26 maximum cash contribution limit unless the instrument clearly identifies both the
27 payor and the payee. A contribution made by cashier's check or money order which

1 identifies both the payor and payee shall be treated as a contribution made by check
2 for purposes of the contribution limits contained in this section. No person shall
3 make a cash contribution in excess of one hundred dollars (\$100) in the aggregate
4 in any one (1) election to a candidate, slate of candidates, committee, or
5 contributing organization, nor anyone on their behalf.

6 (5) No candidate, slate of candidates, committee, contributing organization, nor anyone
7 on their behalf, shall accept any contribution in excess of one hundred dollars
8 (\$100) from any person who shall not become eighteen (18) years of age on or
9 before the day of the next general election.

10 (6) Except as provided in subsection ~~(23){(22)}~~ of this section, no candidate, slate of
11 candidates, campaign committee, nor anyone acting on their behalf, shall accept a
12 contribution of more than two thousand dollars (\$2,000) as indexed for inflation
13 every odd-numbered year using the preceding year's percent increase in the non-
14 seasonally adjusted annual average Consumer Price Index for all Urban Consumers
15 (CPI-U), U.S. City Average, All Items, for that year as published by the United
16 States Bureau of Labor Statistics and rounded to the nearest hundred dollars, from
17 any person, permanent committee, or contributing organization in any one (1)
18 election. No person, permanent committee, or contributing organization shall
19 contribute more than two thousand dollars (\$2,000) as indexed for inflation every
20 odd-numbered year using the preceding year's percent increase in the non-
21 seasonally adjusted annual average Consumer Price Index for all Urban Consumers
22 (CPI-U), U.S. City Average, All Items, as published by the United States Bureau of
23 Labor Statistics and rounded to the nearest hundred dollars, to any one (1)
24 candidate, campaign committee, nor anyone acting on their behalf, in any one (1)
25 election.

26 (7) Permanent committees or contributing organizations affiliated by bylaw structure or
27 by registration, as determined by the Registry of Election Finance, shall be

1 considered as one (1) committee for purposes of applying the contribution limits of
2 subsection (6) of this section.

3 (8) No permanent committee shall contribute funds to another permanent committee for
4 the purpose of circumventing contribution limits of subsection (6) of this section. A
5 permanent committee or independent expenditure-only committee may make
6 unlimited contributions to an independent expenditure-only committee, or as
7 allowed by federal law to a federally registered political committee, provided that if
8 a contribution is earmarked for a particular independent expenditure, the person
9 making the independent expenditure shall disclose the contribution when reporting
10 the independent expenditure pursuant to subsection (1) of this section.

11 (9) No person shall contribute funds to a permanent committee, political issues
12 committee, or contributing organization for the purpose of circumventing the
13 contribution limits of subsection (6) of this section.

14 (10) No person shall contribute more than two thousand dollars (\$2,000)as indexed for
15 inflation every odd-numbered year using the preceding year's percent increase in
16 the non-seasonally adjusted annual average Consumer Price Index for all Urban
17 Consumers (CPI-U), U.S. City Average, All Items, for that year as published by the
18 United States Bureau of Labor Statistics and rounded to the nearest hundred dollars,
19 to a permanent committee or contributing organization in any one (1) year.

20 (11) (a) No person shall contribute more than five thousand dollars (\$5,000) to the
21 state executive committee of a political party in any one (1) year. The
22 contribution limit in this paragraph shall not apply to a contribution
23 designated exclusively for a state executive committee's building fund account
24 established under KRS 121.172.

25 (b) No person shall contribute more than five thousand dollars (\$5,000) to a
26 subdivision or affiliate of a state political party in any one (1) year.

27 (c) No person shall contribute more than five thousand dollars (\$5,000) to a

1 caucus campaign committee in any one (1) year.

2 (12) No person shall make a payment, distribution, loan, advance, deposit, or gift of
3 money to another person to contribute to a candidate, a slate of candidates,
4 committee, contributing organization, or anyone on their behalf. No candidate, slate
5 of candidates, committee, contributing organization, nor anyone on their behalf
6 shall accept a contribution made by one (1) person who has received a payment,
7 distribution, loan, advance, deposit, or gift of money from another person to
8 contribute to a candidate, a slate of candidates, committee, contributing
9 organization, or anyone on their behalf.

10 (13) No candidate, slate of candidates, committee, contributing organization, or
11 anyone on their behalf shall make an expenditure to an intermediary, including
12 subcontractors, for the purpose of making a payment to another person.
13 Expenditures shall be made directly to the provider of goods or personal services.

14 (14) Subject to the provisions of subsection (18)~~(17)~~ of this section, no candidate or
15 slate of candidates for nomination to any state, county, city, or district office, nor
16 their campaign committees, nor anyone on their behalf, shall solicit or accept
17 contributions for primary election expenses after the date of the primary. No person
18 other than the candidate or slate of candidates shall contribute for primary election
19 expenses after the date of the primary.

20 (15)~~(14)~~ Subject to the provisions of subsection (18)~~(17)~~ of this section, no candidate
21 or slate of candidates for any state, county, city, or district office at a regular
22 election, nor their campaign committees, nor anyone on their behalf, shall solicit or
23 accept contributions for regular election expenses after the date of the regular
24 election. No person other than the candidate or slate of candidates shall contribute
25 for regular election expenses after the date of the regular election.

26 (16)[(15)] Subject to the provisions of subsection (18)[(17)] of this section, no candidate
27 or slate of candidates for nomination or election to any state, county, city, or district

1 office, nor their campaign committees, nor anyone on their behalf, shall solicit or
2 accept contributions for special election expenses after the date of the special
3 election. No person other than the candidate or slate of candidates shall contribute
4 for special election expenses after the date of the special election.

5 ~~(17){(16)}~~ The provisions of subsections ~~(14){(13)}~~ and ~~(15){(14)}~~ of this section shall
6 apply only to those candidates in a primary or regular election which shall be
7 conducted subsequent to January 1, 1989. The provisions of subsection ~~(16){(15)}~~
8 of this section shall apply only to those candidates or slates of candidates in a
9 special election which shall be conducted subsequent to January 1, 1993.

10 ~~(18){(17)}~~ A candidate, slate of candidates, or a campaign committee may solicit and
11 accept contributions after the date of a primary election, regular election, or special
12 election to defray necessary expenses that arise after the date of the election
13 associated with election contests, recounts, and recanvasses of a specific election,
14 complaints regarding alleged campaign finance violations that are filed with the
15 registry pertaining to a specific election, or other legal actions pertaining to a
16 specific election to which a candidate, slate of candidates, or campaign committee
17 is a party, and for repayment of debts and obligations owed by the campaign or
18 previous campaign for the same office. Reports of contributions received and
19 expenditures made after the date of the specific election shall be made in
20 accordance with KRS 121.180.

21 ~~(19){(18)}~~ No candidate, slate of candidates, committee, except a political issues
22 committee, independent expenditure-only committee, or contributing organization,
23 nor anyone on their behalf, shall knowingly accept a contribution from a
24 corporation, directly or indirectly, except to the extent that the contribution is
25 designated to a state executive committee's building fund account established under
26 KRS 121.172.

27 ~~(20){(19)}~~ Nothing in this section shall be construed to restrict the ability of a

1 corporation to administer its permanent committee insofar as its actions can be
2 deemed not to influence an election as prohibited by KRS 121.025.

3 ~~(21)~~⁽²⁰⁾ No candidate, slate of candidates, or committee, nor anyone on their behalf,
4 shall solicit a contribution of money or services from a state employee, whether or
5 not the employee is covered by the classified service provisions of KRS Chapter
6 18A. However, it shall not be a violation of this subsection for a state employee to
7 receive a solicitation directed to him or her as a registered voter in an identified
8 precinct as part of an overall plan to contact voters not identified as state
9 employees.

10 ~~(22)~~⁽²¹⁾ No candidate or slate of candidates for any office in this state shall accept a
11 contribution, including an in-kind contribution, which is made from funds in a
12 federal campaign account. No person shall make a contribution, including an in-
13 kind contribution, from funds in a federal campaign account to any candidate or
14 slate of candidates for any office in this state.

15 ~~(23)~~⁽²²⁾ It shall be permissible for a married couple to make a contribution with one
16 (1) check that reflects the combined individual contribution limits of each
17 individual spouse per election, as set forth in subsection (6) of this section, for all
18 elections in a calendar year and the following shall be required to be written on the
19 check:

20 (a) The signatures of both spouses on the signature line of the check; and
21 (b) The designation of each contribution amount and the election or elections to
22 which they apply shall be memorialized on the memo line of the check.