

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," which means a political  
26 committee that is a subdivision of a national political party committee and  
27 operates within the structure and under the supervision of the state

1                   executive committee of that same political party. Political parties may  
2                   support candidates for public office, raise and spend money for their  
3                   internal operations, and are governed by a committee that is elected by the  
4                   voters in that subdivision in a manner not inconsistent with the rules of that  
5                   same political party; and

6                   (g) "Inaugural committee," which means one (1) or more persons who receive  
7                   contributions and make expenditures in support of inauguration activities for  
8                   any candidate or slate of candidates elected to any state, county, city, or  
9                   district office;

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

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

19                  (6) "Contribution" means any:

20                   (a) Payment, distribution, loan, deposit, or gift of money or other thing of value,  
21                   to a candidate, his or her agent, a slate of candidates, its authorized agent, a  
22                   committee, or contributing organization. As used in this subsection, "loan"  
23                   shall include a guarantee, endorsement, or other form of security where the  
24                   risk of nonpayment rests with the surety, guarantor, or endorser, as well as  
25                   with a committee, contributing organization, candidate, slate of candidates, or  
26                   other primary obligor. No person shall become liable as surety, endorser, or  
27                   guarantor for any sum in any one (1) election which, when combined with all

1           other contributions the individual makes to a candidate, his or her agent, a  
2           slate of candidates, its agent, a committee, or a contributing organization,  
3           exceeds the contribution limits provided in KRS 121.150;

4       (b) Payment by any person other than the candidate, his or her authorized  
5           treasurer, a slate of candidates, its authorized treasurer, a committee, or a  
6           contributing organization, of compensation for the personal services of  
7           another person which are rendered to a candidate, slate of candidates,  
8           committee, or contributing organization, or for inauguration activities;

9       (c) Goods, advertising, or services with a value of more than one hundred dollars  
10           (\$100) in the aggregate in any one (1) election which are furnished to a  
11           candidate, slate of candidates, committee, or contributing organization or for  
12           inauguration activities without charge, or at a rate which is less than the rate  
13           normally charged for the goods or services; or

14       (d) Payment by any person other than a candidate, his or her authorized treasurer,  
15           a slate of candidates, its authorized treasurer, a committee, or contributing  
16           organization for any goods or services with a value of more than one hundred  
17           dollars (\$100) in the aggregate in any one (1) election which are utilized by a  
18           candidate, slate of candidates, committee, or contributing organization, or for  
19           inauguration activities;

20       (7) Notwithstanding the foregoing meanings of "contribution," the word shall not be  
21           construed to include:

22           (a) Services provided without compensation by individuals volunteering a portion  
23           or all of their time on behalf of a candidate, a slate of candidates, committee,  
24           or contributing organization;

25           (b) A loan of money by any financial institution doing business in Kentucky  
26           made in accordance with applicable banking laws and regulations and in the  
27           ordinary course of business; or

- (c) An independent expenditure by any individual or permanent committee;
- (8) "Candidate" means any person who has received contributions or made expenditures, has appointed a campaign treasurer, or has given his or her consent for any other person to receive contributions or make expenditures with a view to bringing about his or her nomination or election to a nonfederal public office, except as provided in KRS 121.180(10)(b);
- (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

1 slate of candidates, and which:

2 1. Is made without any coordination, consultation, or cooperation with any  
3 candidate, slate of candidates, campaign committee, or any authorized  
4 person acting on behalf of any of them; and

5 2. Is not made in concert with, or at the request or suggestion of any  
6 candidate, slate of candidates, campaign committee, or any authorized  
7 person acting on behalf of any of them; or

8 (b) The expenditure of money or other things of value for a communication which  
9 expressly advocates or opposes a ballot measure, and which:

10 1. Is made without any coordination, consultation, or cooperation with any  
11 political issues committee, or any authorized person acting on behalf of  
12 a political issues committee; and

13 2. Is not made in concert with, or at the request or suggestion of, any  
14 political issues committee, or any authorized person acting on behalf of  
15 a political issues committee;

16 (13) "Electronic reporting" means the use of technology, having electrical, digital,  
17 magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an  
18 individual or other entity submits, compiles, or transmits campaign finance reports  
19 to the registry, or by which the registry receives, stores, analyzes, or discloses the  
20 reports;

21 (14) "Security procedure" means a procedure employed for the purpose of verifying that  
22 an electronic signature, record, or performance is that of a specific person or for  
23 detecting changes or errors in the information in an electronic record. The term  
24 includes a procedure that requires the use of algorithms or other codes, identifying  
25 words or numbers, encryption, or callback or other acknowledgment procedures;

26 (15) "Electronic signature" means an electronic sound, symbol, or process attached to or  
27 logically associated with a record and executed or adopted by a person with the

1            intent to sign the record;

2 (16) "Filer" means any candidate, a slate of candidates, committee, or other individual or  
3            entity required to submit financial disclosure reports to the registry;

4 (17) "Filer-side software" means software provided to or used by the filer that enables  
5            transmittal of financial reports to the registry;

6 (18) "Form" means an online web page or an electronic document designed to capture,  
7            validate, and submit data for processing to the registry, unless the context otherwise  
8            prescribes;

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

13 (20) "Foreign national" means:

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

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

17            (c) A foreign political party;

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

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

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

26                2. All decisions concerning the contribution or expenditure, except for  
27                setting overall budget amounts, are made by individuals who are United

1 States citizens or permanent residents;

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

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

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

9 (a) Participating in focus groups;

10 (b) Making telephone calls;

11 (c) Traveling;

12 (d) Conducting polls; and

13 (e) Drafting ballot measure language; and

14 (23) "Tax-exempt organization" means an organization described in 26 U.S.C. sec.  
15 501(c) and exempt from federal taxation under 26 U.S.C. sec. 501(a). This  
16 subsection shall not be construed to treat a political organization under 26 U.S.C.  
17 sec. 527 as a tax-exempt organization for purposes of this chapter.

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

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

1       penalty of perjury, that the expenditure was an actual independent expenditure and  
2       that there was no prior communication with the campaign on whose behalf it was  
3       made.

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

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

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

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

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

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

27 (7) Permanent committees or contributing organizations affiliated by bylaw structure or

1 by registration, as determined by the Registry of Election Finance, shall be  
2 considered as one (1) committee for purposes of applying the contribution limits of  
3 subsection (6) of this section.

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

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

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

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

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

- 1 (c) No person shall contribute more than five thousand dollars (\$5,000) to a  
2 caucus campaign committee in any one (1) year.
- 3 (12) No person shall make a payment, distribution, loan, advance, deposit, or gift of  
4 money to another person to contribute to a candidate, a slate of candidates,  
5 committee, contributing organization, or anyone on their behalf. No candidate, slate  
6 of candidates, committee, contributing organization, nor anyone on their behalf  
7 shall accept a contribution made by one (1) person who has received a payment,  
8 distribution, loan, advance, deposit, or gift of money from another person to  
9 contribute to a candidate, a slate of candidates, committee, contributing  
10 organization, or anyone on their behalf.
- 11 (13) Subject to the provisions of subsection (17) of this section, no candidate or slate of  
12 candidates for nomination to any state, county, city, or district office, nor their  
13 campaign committees, nor anyone on their behalf, shall solicit or accept  
14 contributions for primary election expenses after the date of the primary. No person  
15 other than the candidate or slate of candidates shall contribute for primary election  
16 expenses after the date of the primary.
- 17 (14) Subject to the provisions of subsection (17) of this section, no candidate or slate of  
18 candidates for any state, county, city, or district office at a regular election, nor their  
19 campaign committees, nor anyone on their behalf, shall solicit or accept  
20 contributions for regular election expenses after the date of the regular election. No  
21 person other than the candidate or slate of candidates shall contribute for regular  
22 election expenses after the date of the regular election.
- 23 (15) Subject to the provisions of subsection (17) of this section, no candidate or slate of  
24 candidates for nomination or election to any state, county, city, or district office,  
25 nor their campaign committees, nor anyone on their behalf, shall solicit or accept  
26 contributions for special election expenses after the date of the special election. No  
27 person other than the candidate or slate of candidates shall contribute for special

1                    election expenses after the date of the special election.

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

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

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

23 (19) Nothing in this section shall be construed to restrict the ability of a corporation to  
24                  administer its permanent committee insofar as its actions can be deemed not to  
25                  influence an election as prohibited by KRS 121.025.

26 (20) No candidate, slate of candidates, or committee, nor anyone on their behalf, shall  
27                  solicit a contribution of money or services from a state employee, whether or not

1       the employee is covered by the classified service provisions of KRS Chapter 18A.  
2       However, it shall not be a violation of this subsection for a state employee to  
3       receive a solicitation directed to him as a registered voter in an identified precinct as  
4       part of an overall plan to contact voters not identified as state employees.

5       (21) No candidate or slate of candidates for any office in this state shall accept a  
6       contribution, including an in-kind contribution, which is made from funds in a  
7       federal campaign account. No person shall make a contribution, including an in-  
8       kind contribution, from funds in a federal campaign account to any candidate or  
9       slate of candidates for any office in this state.

10      (22) It shall be permissible for a married couple to make a contribution with one (1)  
11       check that reflects the combined individual contribution limits of each individual  
12       spouse per election, as set forth in subsection (6) of this section, for all elections in  
13       a calendar year and the following shall be required to be written on the check:  
14       (a) The signatures of both spouses on the signature line of the check; and  
15       (b) The designation of each contribution amount and the election or elections to  
16       which they apply shall be memorialized on the memo line of the check.

17      (23) Nothing in this section or in any other provision of this chapter shall be  
18       construed to prohibit a qualified political party committee, including a state or  
19       county executive committee, from endorsing, supporting, opposing, or making  
20       otherwise lawful contributions or expenditures supporting or opposing a  
21       candidacy designated as nonpartisan under state law. The endorsement, support,  
22       or opposition by a political party committee shall not affect the nonpartisan status  
23       of the office or the candidate.