

CHAPTER 57**(HB 45)**

AN ACT relating to campaign finance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 121.015 is amended to read as follows:

As used in this chapter:

- (1) "Registry" means the Kentucky Registry of Election Finance;
- (2) "Election" means any primary, regular, or special election to fill vacancies regardless of whether a candidate or slate of candidates is opposed or unopposed in an election. Each primary, regular, or special election shall be considered a separate election;
- (3) "Committee" includes the following:
 - (a) "Campaign committee," which means one (1) or more persons who receive contributions and make expenditures to support or oppose one (1) or more specific candidates or slates of candidates for nomination or election to any state, county, city, or district office, that is authorized by the candidate or slate of candidates to receive contributions, make expenditures, and generally conduct a campaign for the candidate or slate of candidates, but does not include an entity established solely by a candidate which is managed solely by a candidate and a campaign treasurer and whose name is generic in nature, such as "Friends of (the candidate)," and does not reflect that other persons have structured themselves as a committee, designated officers of the committee, and assigned responsibilities and duties to each officer with the purpose of managing a campaign to support or oppose a candidate in an election;
 - (b) "Independent expenditure-only committee," which means one (1) or more persons who receive unlimited contributions for the purpose of making only independent expenditures to support or oppose one (1) or more specific candidates or slates of candidates for nomination or election to any state, county, city, or district office;
 - (c) "Caucus campaign committee," which means members of one (1) of the following caucus groups who receive contributions and make expenditures to support or oppose one (1) or more specific candidates or slates of candidates for nomination or election, or a committee:
 1. House Democratic caucus campaign committee;
 2. House Republican caucus campaign committee;
 3. Senate Democratic caucus campaign committee;
 4. Senate Republican caucus campaign committee; or
 5. Subdivisions of the state executive committee of a minor political party, which serve the same function as the above-named committees, as determined by regulations promulgated by the registry;
 - (d) "Political issues committee," which means three (3) or more persons joining together to advocate or oppose a ~~constitutional amendment or public question which appears on the~~ ballot **measure** if that committee receives or expends money in excess of one thousand dollars (\$1,000);
 - (e) "Permanent committee," which means a group of individuals, including an association, committee, or organization, other than a campaign committee, independent expenditure-only committee, federally registered political committee, political issues committee, inaugural committee, caucus campaign committee, or party executive committee, which is established as, or intended to be, a permanent organization having as a primary purpose expressly advocating the election or defeat of one (1) or more clearly identified candidates, slates of candidates, or political parties, which functions on a regular basis throughout the year;
 - (f) An executive committee of a political party; and

- (g) "Inaugural committee," which means one (1) or more persons who receive contributions and make expenditures in support of inauguration activities for any candidate or slate of candidates elected to any state, county, city, or district office;
- (4) "Contributing organization" means a group which merely contributes to candidates, slates of candidates, campaign committees, caucus campaign committees, or executive committees from time to time from funds derived solely from within the group, and which does not solicit or receive funds from sources outside the group itself. Any contributions made by the groups in excess of one hundred dollars (\$100) shall be reported to the registry;
- (5) "Testimonial affair" means an affair held in honor of a person who holds or who is or was a candidate for nomination or election to a political office in this state designed to raise funds for any purpose not charitable, religious, or educational;
- (6) "Contribution" means any:
 - (a) Payment, distribution, loan, deposit, or gift of money or other thing of value, to a candidate, his or her agent, a slate of candidates, its authorized agent, a committee, or contributing organization. As used in this subsection, "loan" shall include a guarantee, endorsement, or other form of security where the risk of nonpayment rests with the surety, guarantor, or endorser, as well as with a committee, contributing organization, candidate, slate of candidates, or other primary obligor. No person shall become liable as surety, endorser, or guarantor for any sum in any one (1) election which, when combined with all other contributions the individual makes to a candidate, his or her agent, a slate of candidates, its agent, a committee, or a contributing organization, exceeds the contribution limits provided in KRS 121.150;
 - (b) Payment by any person other than the candidate, his or her authorized treasurer, a slate of candidates, its authorized treasurer, a committee, or a contributing organization, of compensation for the personal services of another person which are rendered to a candidate, slate of candidates, committee, or contributing organization, or for inauguration activities;
 - (c) Goods, advertising, or services with a value of more than one hundred dollars (\$100) in the aggregate in any one (1) election which are furnished to a candidate, slate of candidates, committee, or contributing organization or for inauguration activities without charge, or at a rate which is less than the rate normally charged for the goods or services; or
 - (d) Payment by any person other than a candidate, his or her authorized treasurer, a slate of candidates, its authorized treasurer, a committee, or contributing organization for any goods or services with a value of more than one hundred dollars (\$100) in the aggregate in any one (1) election which are utilized by a candidate, slate of candidates, committee, or contributing organization, or for inauguration activities;
- (7) Notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include:
 - (a) Services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, a slate of candidates, committee, or contributing organization;
 - (b) A loan of money by any financial institution doing business in Kentucky made in accordance with applicable banking laws and regulations and in the 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 subsection (10)(b) of Section 8 of this Act**~~(federal office)~~;
- (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~~~~[-which]~~
 - 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**
 - (b) ***The expenditure of money or other things of value for a communication which expressly advocates or opposes a ballot measure, and which:***
 - 1. ***Is made without any coordination, consultation, or cooperation with any political issues committee, or any authorized person acting on behalf of a political issues committee; and***
 - 2. ***Is not made in concert with, or at the request or suggestion of, any political issues committee, or any authorized person acting on behalf of a political issues committee;***
- (13) "Electronic reporting" means the use of technology, having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an individual or other entity submits, compiles, or transmits campaign finance reports to the registry, or by which the registry receives, stores, analyzes, or discloses the reports;
- (14) "Security procedure" means a procedure employed for the purpose of verifying that an electronic signature, record, or performance is that of a specific person or for detecting changes or errors in the information in an electronic record. The term includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, or callback or other acknowledgment procedures;
- (15) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record;
- (16) "Filer" means any candidate, a slate of candidates, committee, or other individual or entity required to submit financial disclosure reports to the registry;
- (17) "Filer-side software" means software provided to or used by the filer that enables transmittal of financial reports to the registry;
- (18) "Form" means an online web page or an electronic document designed to capture, validate, and submit data for processing to the registry, unless the context otherwise prescribes;~~[-and]~~
- (19) "Reasonable cause" means an event, happening, or circumstance entirely beyond the knowledge or control of the candidate, slate of candidates, or committee, which has exercised due care and prudence in maintaining the records of the campaign or committee pursuant to statute or administrative regulation;
- (20) ***"Foreign national" means:***
- (a) ***An individual who is not a citizen or lawful permanent resident of the United States;***
 - (b) ***A government, political subdivision, or municipality of a foreign country;***
 - (c) ***A foreign political party;***
 - (d) ***Any entity, including but not limited to a partnership, association, corporation, organization, or other combination of persons, that is organized under the laws of or has its principal place of business in a foreign country; or***

- (e) *Any entity in the United States, including but not limited to a partnership, association, corporation, or organization that is wholly or majority owned by any foreign national, unless:*
 - 1. *Any contribution or expenditure the entity makes derives entirely from funds generated by the entity's United States operations; and*
 - 2. *All decisions concerning the contribution or expenditure, except for setting overall budget amounts, are made by individuals who are United States citizens or permanent residents;*
- (21) *"Ballot measure" means a question, other than the nomination or election of a candidate for public office, which has been:*
 - (a) *Approved by a political subdivision or the General Assembly and is required by law to be placed before the voters of the territory affected; or*
 - (b) *Initiated or referred by citizen petition as authorized by KRS 242.020 and placed before the voters of the territory affected;*
- (22) *"Preliminary activity" includes but is not limited to:*
 - (a) *Participating in focus groups;*
 - (b) *Making telephone calls;*
 - (c) *Traveling;*
 - (d) *Conducting polls; and*
 - (e) *Drafting ballot measure language; and*
- (23) *"Tax-exempt organization" means an organization described in 26 U.S.C. sec. 501(c) and exempt from federal taxation under 26 U.S.C. sec. 501(a). This subsection shall not be construed to treat a political organization under 26 U.S.C. sec. 527 as a tax-exempt organization for purposes of this chapter.*

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

- (1) *Upon registering a political issues committee, the treasurer shall file an accompanying certification that no preliminary activity was directly or indirectly funded by a foreign national.*
- (2) *After a political issues committee has been registered, the committee shall not knowingly or willfully receive, solicit, or accept contributions or expenditures that are directly or indirectly funded by a foreign national.*
- (3) *A political issues committee shall affirm in its report that it has not knowingly or willfully received, solicited, or accepted contributions or expenditures from a foreign national.*
- (4) *Any person who makes an independent expenditure in support or opposition of a ballot measure shall keep records of any contribution or independent expenditure and retain those records for six (6) years following the date the contribution or expenditure was made.*
- (5) *A political issues committee that receives a contribution or makes expenditures shall keep records of any contribution received or expenditure made and retain those records for six (6) years following the date the contribution was received or the expenditure was made.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO READ AS FOLLOWS:

- (1) *Upon a political issues committee's receipt of a contribution, the treasurer shall obtain from the donor an affirmation that the donor is not a foreign national and has not knowingly or willfully accepted funds aggregating in excess of one hundred thousand dollars (\$100,000) from a foreign national during the four (4) years immediately preceding the date the contribution was made.*
- (2) *The treasurer of a political issues committee shall affirm in its report that the donor associated with each contribution is not a foreign national and has not knowingly or willfully received, solicited, or accepted, whether directly or indirectly, contributions or expenditures aggregating in excess of one hundred thousand dollars (\$100,000) from a foreign national during the four (4) years immediately preceding the date the contribution was made.*
- (3) *Within forty-eight (48) hours of making an independent expenditure supporting or opposing a ballot measure, the person or entity making the expenditure shall:*

- (a) *Certify to the registry that the person or entity has not knowingly or willfully accepted funds aggregating in excess of one hundred thousand dollars (\$100,000) from a foreign national for four (4) years immediately preceding the date the expenditure was made, and that it will not do so through the remainder of the calendar year in which the ballot measure will appear on the ballot; and*
 - (b) *Affirm in the person's or entity's report that the person or entity has not knowingly or willfully accepted funds aggregating in excess of one hundred thousand dollars (\$100,000) from a foreign national during the four (4) years immediately preceding the date the expenditure was made.*
- (4) *Any determination that an entity required to file one (1) or more certifications under subsection (1) or (3)(a) of this section has accepted funds aggregating in excess of one hundred thousand dollars (\$100,000) from one (1) or more foreign nationals during the four (4) years immediately preceding the date the contribution or independent expenditure at issue was made shall create a presumption that the person or political issues committee has violated this section.*

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO READ AS FOLLOWS:

- (1) *A foreign national shall not, directly or indirectly:*
- (a) *Make a donation, contribution, or expenditure in support or opposition of a ballot measure;*
 - (b) *Solicit another person to make a donation, contribution, or expenditure to influence a ballot measure; or*
 - (c) *Direct, dictate, control, or participate in another person's decision to influence a ballot measure.*
- (2) *Nothing in this section shall be deemed to create or eliminate any donor disclosure rights or duties beyond those specifically enumerated in Section 6 of this Act.*

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO READ AS FOLLOWS:

- (1) *The registry may bring a civil action to enforce Sections 2 and 3 of this Act and a committee, person, or entity alleged to have violated Section 2 or 3 of this Act shall be provided full opportunity of notice, discovery, and an opportunity to be heard before being found liable for a violation of Section 2 or 3 of this Act.*
- (2) *In all actions brought under subsection (1) of this section, the registry bears the burden of proof and the action shall proceed as follows:*
- (a) *Prior to discovery, the court shall set a hearing to determine whether there is probable cause that a committee or person has violated Section 2 or 3 of this Act;*
 - (b) *If, after the hearing in paragraph (a) of this subsection, the court determines that no probable cause exists to believe that a violation of Section 2 or 3 of this Act has occurred, the court shall enter an order of dismissal with prejudice;*
 - (c) *If, after the hearing in paragraph (a) of this subsection, the court determines that probable cause does exist to believe that a violation of Section 2 or 3 of this Act has occurred, the court shall enter an order to that effect and the case shall proceed to trial on an expedited basis. Subject to Section 6 of this Act, the entity alleged to have violated Section 2 or 3 of this Act may, prior to the scheduling of trial, present evidence sufficient to rebut the finding of probable cause by making an ex parte presentation of records to the court for in camera review; and*
 - (d) *The losing party under paragraph (c) of this subsection has the right to:*
 - 1. *An interlocutory expedited appeal; and*
 - 2. *A stay of proceedings in the trial court.*
- (3) *Within thirty (30) days of a finding that a committee has violated Section 2 or 3 of this Act, the committee shall refund the contribution to the original contributor. In the event of an appeal, the contribution shall be placed in escrow, after which the funds shall be disbursed in accordance with the final order. If the committee is unable to return the funds, the directors, officers, or executive members of the committee shall be liable in their personal capacity, jointly and severally, for the refund of said funds.*
- (4) *Within thirty (30) days of a finding that any person or entity required to report independent expenditures has violated Section 2 or 3 of this Act, the person or entity making the independent expenditure shall*

disgorge funds in an amount equal to the reported cost of the independent expenditure to the registry. If the entity is unable to disgorge the requisite funds, the directors, officers, or executive members of the entity shall be liable in their personal capacities, jointly and severally, for the payment of the amount due. In the event of an appeal, the funds subject to disgorgement shall be placed in escrow, after which they shall be disbursed in accordance with the final order.

- (5) *If any lobbyist, as defined in KRS 11A.010, violates Section 2 or 3 of this Act, the lobbyist's registration may be revoked or suspended and the lobbyist may be enjoined from receiving compensation or making expenditures for lobbying.*
- (6) *If the registry prevails in an action brought under this section, the court may award:*
 - (a) *Injunctive relief sufficient to prevent the defendant from violating or engaging in acts that aid or abet violations of Sections 2 and 3 of this Act; and*
 - (b) *Statutory damages up to two (2) times the amount of the prohibited contribution or expenditure.*
- (7) *In addition to the penalties in subsection (6) of this section, and any other remedies provided by law, if the court finds a knowing or willful violation of Section 2 or 3 of this Act, the court may assess a penalty of up to three (3) times the statutory damages.*

➔SECTION 6. A NEW SECTION OF KRS CHAPTER 121 IS CREATED TO READ AS FOLLOWS:

- (1) *A lawful donor to a tax-exempt organization possesses a right of privacy in his or her donations. Any investigation of an alleged violation of Section 2 or 3 of this Act, or lawful court order in an action brought under Section 5 of this Act, shall shield the identity of lawful donors as far as possible. A state or local governmental entity, court, or officer of the court shall not collect or require the submission of information on the identity of any donor to a tax-exempt organization other than those directly related to an alleged violation of Section 2 or 3 of this Act.*
- (2) *A state or local governmental entity, court, or officer of the court shall not disclose to the public, or to another government official not directly involved in the investigation, information revealing the identity of any donor to a tax-exempt organization, unless the information is regarding the identity of a donor that engaged in conduct prohibited by Section 2 or 3 of this Act after a final determination has been made that the donor violated Section 2 or 3 of this Act.*
- (3) *Any state or local governmental entity, court, or officer of the court who knowingly or willfully violates subsection (2) of this section shall be guilty of a Class A misdemeanor.*

➔Section 7. KRS 121.175 is amended to read as follows:

- (1) No candidate, committee, or contributing organization shall permit funds in a campaign account to be expended for any purpose other than for allowable campaign expenditures. "Allowable campaign expenditures" means expenditures including reimbursement for actual expenses, made directly and primarily in support of or opposition to a candidate, constitutional amendment, or public question which will appear on the ballot and includes, but is not limited to, expenditures for staff salaries, gifts and meals for volunteer campaign workers **and fundraisers**, food and beverages provided at a campaign rally, advertising, office space, necessary travel if reported, campaign paraphernalia, purchases of advertisements in athletic and scholastic publications, communications with constituents or prospective voters, polling and consulting, printing, graphic arts, or advertising services, postage, office supplies, stationery, newsletters, and equipment which is used primarily for the administration of the campaign, or for fees incurred from legal services while defending a matter before the Kentucky Legislative Ethics Commission in which the final adjudication is rendered in favor of the candidate. "Allowable campaign expenditures" does not include necessary travel unless reported, expenditures of funds in a campaign account for any purpose made unlawful by other provisions of the Kentucky Revised Statutes or which would bestow a private pecuniary benefit, except for payment of the reasonable value of goods and services provided upon a candidate, member of the candidate's family, committee, or contributing organization, or any of their employees, paid or unpaid, including: tickets to an event which is unrelated to a political campaign or candidacy; items of personal property for distribution to prospective voters except items bearing the name, likeness, or logo of a candidate or a campaign-related communication; expenditures to promote or oppose a candidacy for a leadership position in a governmental, professional, or political organization, or other entity; and equipment or appliances the primary use of which is for purposes outside of the campaign. The provisions of KRS 121.190 notwithstanding, a candidate shall not be required to include a disclaimer on campaign stationery purchased with funds from his campaign account.
- (2) A member of the General Assembly may utilize funds in his or her campaign account to:

- (a) Contribute up to five thousand dollars (\$5,000) per year to a political party or caucus campaign committee;
 - (b) ***Contribute directly to another candidate, slate of candidates, political party, or caucus campaign committee until his or her campaign funds have been exhausted and the account has been closed, if the amount of the contribution does not exceed the contribution limits contained in KRS 121.150(6) and (11);***
 - (c) Make allowable campaign expenditures in both election years and nonelection years;
 - ~~(d)(e)~~ Upon approval by the President of the Senate or the Speaker of the House of Representatives, depending on the member's chamber:
 - 1. Attend a conference, meeting, reception, or similar event; or
 - 2. Attend an educational course or seminar that maintains or improves skills employed by the member in carrying out the duties of his or her elective office; and
 - ~~(e)(d)~~ Pay for fees incurred from legal services while defending a matter arising from his or her campaign or election or the performance of his or her official duties.
- (3) ~~[By December 31, 1993,]~~ The registry shall promulgate administrative regulations to implement and enforce the provisions of subsection (1) of this section.
- (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:
- (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
 - (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).

➔ Section 8. KRS 121.180 is amended to read as follows:

- (1) (a) 1. Persons becoming a candidate as defined in KRS 121.015(8) or slate of candidates as defined in KRS 121.015(9), or a political issues committee as defined in KRS 121.015(3)(d), shall submit a form prescribed and furnished by the registry indicating whether they intend to raise or spend in excess of five thousand dollars (\$5,000) in any one (1) election, or that contributions will not be accepted or expended in excess of five thousand dollars (\$5,000) in any one (1) election. Candidates and slates of candidates shall submit this form to the registry within five (5) days of receiving contributions or making expenditures with a view to bringing about his or her nomination or election to public office, or within five (5) days of filing papers to run for public office, whichever is sooner. Candidates and slates of candidates who advance to a regular election following a primary shall submit this form to the registry within five (5) days after the date of the primary. Political issues committees shall submit the form to the registry within five (5) days of meeting the definition of political issues committee in KRS 121.015(3)(d).
- 2. Each candidate, slate of candidates, or political issues committee indicating that contributions will not be accepted or expended in excess of five thousand dollars (\$5,000) in any one (1) election shall be exempt from filing any campaign finance reports required by subsection (3) of this section.
- 3. A separate form shall be required for each primary, regular, or special election in which the candidate or slate of candidates participates or in which the public question appears on the ballot. The form shall be submitted by means of electronic filing with the registry.
- 4. Any person acting as a candidate or slate of candidates by receiving contributions or making expenditures with a view to bringing about his or her nomination or election to public office, or filing papers to run for public office, or group of persons acting as a political issues committee,

who fails to file this form as required, or who fails to remedy a deficiency within five (5) days, may be fined by the registry an amount not to exceed two hundred dollars (\$200) per day, up to a maximum total fine of five thousand dollars (\$5,000).

- (b) For a primary, a candidate or slate of candidates shall file a request for exemption not later than the deadline described in paragraph (a) of this subsection for filing nomination papers and, except as provided in subparagraph 2. of paragraph (c) of this subsection, shall be bound by its terms unless it is rescinded in writing not later than thirty (30) days preceding the primary. For a regular election, a candidate or slate of candidates shall file or rescind in writing a request for exemption not later than sixty (60) days preceding the regular election, except as provided in subparagraph 2. of paragraph (c) of this subsection. For a special election, a candidate or slate of candidates shall file a request for exemption not later than ten (10) days after the candidate or slate of candidates is nominated for a special election and shall be bound by its terms unless it is rescinded in writing not later than thirty (30) days preceding the special election. A political issues committee chair shall file a request for exemption when the committee registers with the registry and shall be bound by its terms unless it is rescinded in writing not later than thirty (30) days preceding the date the issue appears on the ballot.
- (c)
 - 1. A candidate or slate of candidates that revokes a request for exemption in a timely manner shall file all reports required of a candidate intending to raise or spend in excess of five thousand dollars (\$5,000) in an election. To revoke the request for an exemption, the candidate or slate of candidates shall file the appropriate form with the registry not later than the deadline for filing a revocation.
 - 2. A candidate or slate of candidates that is exempted from campaign finance reporting requirements pursuant to paragraph (a) of this subsection but who accepts contributions or makes expenditures in excess of the exempted amount in an election, shall file all applicable reports required for the remainder of that election, based upon the amount of contributions or expenditures the candidate or slate of candidates accepts or receives in that election.
- (d) Any candidate or slate of candidates that is subject to a June or August filing deadline and that intends to execute a request for exemption shall file the appropriate request for exemption not later than the deadline described in paragraph (a) of this subsection and, except as provided in subparagraph 2. of paragraph (c) of this subsection, shall be bound by its terms unless it is rescinded in writing not later than sixty (60) days preceding the regular election. A candidate or slate of candidates that is covered by this paragraph shall have the same reversion rights as those provided in subparagraph 1. of paragraph (c) of this subsection.
- (e) Any candidate or slate of candidates that will appear on the ballot in a regular election that has signed a request for exemption for that election may exercise the reversion rights provided in subparagraph 1. of paragraph (c) of this subsection if a candidate or slate of candidates that is subject to a June or August filing deadline subsequently files in opposition to the candidate or slate of candidates. Except as provided in subparagraph 2. of paragraph (c) of this subsection, a candidate or slate of candidates covered by this paragraph shall comply with the deadline for rescission provided in subparagraph 1. of paragraph (c) of this subsection.
- (f) Except as provided in subparagraph 2. of paragraph (c) of this subsection, any candidate or slate of candidates that has filed a request for exemption for a regular election that later is opposed by a person who has filed a declaration of intent to receive write-in votes may rescind the request for exemption and exercise the reversion rights provided in subparagraph 1. of paragraph (c) of this subsection.
- (g) Any candidate or slate of candidates that has filed a request for exemption may petition the registry to determine whether another person is campaigning as a write-in candidate prior to having filed a declaration of intent to receive write-in votes, and, if the registry determines upon a preponderance of the evidence that a person who may later be a write-in candidate is conducting a campaign, the candidate or slate of candidates, except as provided in subparagraph 2. of paragraph (c) of this subsection, may petition the registry to permit the candidate or slate of candidates to exercise the reversion rights provided in subparagraph 1. of paragraph (c) of this subsection.
- (h) If the opponent of a candidate or slate of candidates is replaced due to his or her withdrawal because of death, disability, or disqualification, the candidate or slate of candidates, except as provided in subparagraph 2. of paragraph (c) of this subsection, may exercise the reversion rights provided in subparagraph 1. of paragraph (c) of this subsection not later than fifteen (15) days after the party executive committee nominates a replacement for the withdrawn candidate or slate of candidates.

- (i) A person intending to be a write-in candidate for any office in a regular or special election may execute a request for exemption under paragraph (a) of this subsection and shall be bound by its terms unless it is rescinded in writing not later than fifteen (15) days preceding the regular or special election. A person intending to be a write-in candidate who revokes a request for exemption in a timely manner shall file all reports required of a candidate intending to raise or spend in excess of five thousand dollars (\$5,000) in an election. Except as provided in subparagraph 2. of paragraph (c) of this subsection, a person intending to be a write-in candidate who revokes a request for exemption shall file the appropriate form with the registry.
- (j) Except as provided in subparagraph 2. of paragraph (c) of this subsection, the campaign committee of any candidate or slate of candidates that has filed a request for exemption or a political issues committee whose chair has filed a request for exemption shall be bound by its terms unless it is rescinded in a timely manner.
- (k)
 - 1. Except as provided in subparagraph 2. of paragraph (c) of this subsection, any candidate, slate of candidates, or political issues committee that is exempt from filing campaign finance reports pursuant to paragraph (a), (d), or (i) of this subsection that accepts contributions or makes expenditures, or whose campaign treasurer accepts contributions or makes expenditures, in excess of the applicable limit in any one (1) election without rescinding the request for exemption in a timely manner shall comply with all applicable reporting requirements and, in lieu of other penalties prescribed by law, pay a fine of not less than five hundred dollars (\$500).
 - 2. Except as provided in subparagraph 2. of paragraph (c) of this subsection, a candidate, slate of candidates, campaign committee, or political issues committee that is exempt from filing campaign finance reports pursuant to paragraph (a), (d), or (i) of this subsection that knowingly accepts contributions or makes expenditures in excess of the applicable spending limit in any one (1) election without rescinding the request for exemption in a timely manner shall comply with all applicable reporting requirements and shall be guilty of a Class D felony.
- (l)
 - 1. Any candidate exempt from filing under this subsection for a primary shall file a report described in subsection (4) of this section.
 - 2. Any candidate exempt from filing under this subsection for a primary who advances to the regular election shall file for an additional exemption under this section for the regular election or the candidate shall no longer be exempt from the filing requirements.
 - 3. In the event a candidate exempt from filing under this subsection is no longer eligible for the exemption, he or she shall immediately file for a revocation of the exemption under paragraph (c) of this subsection.
- (2) (a) State and county executive committees, and caucus campaign committees shall make a full report, upon a prescribed form, to the registry, of all money, loans, or other things of value, received from any source, and expenditures authorized, incurred, or made, since the date of the last report, including:
 - 1. For each contribution of any amount made by a permanent committee, the name and business address of the permanent committee, the date of the contribution, the amount contributed, and a description of the major business, social, or political interest represented by the permanent committee;
 - 2. For other contributions in excess of one hundred dollars (\$100), the full name, address, age if less than the legal voting age, the date of the contribution, the amount of the contribution, and the employer and occupation of each contributor. If the contributor is self-employed, the name under which he or she is doing business shall be listed;
 - 3. The total amount of cash contributions received during the reporting period; and
 - 4. A complete statement of expenditures authorized, incurred, or made. The complete statement of expenditures shall include the name and address of each person to whom an expenditure is made in excess of twenty-five dollars (\$25), and the amount, date, and purpose of each expenditure.
- (b) In addition to the reporting requirements in paragraph (a) of this subsection, the state executive committee of a political party that has established a building fund account under KRS 121.172 shall make a full report, upon a prescribed form, to the registry, of all contributions received from any source,

and expenditures authorized, incurred, or made, since the date of the last report for the separate building fund account, including:

1. For each contribution of any amount made by a corporation, the name and business address of the corporation, the date of the contribution, the amount contributed, and a description of the major business conducted by the corporation;
 2. For other contributions in excess of one hundred dollars (\$100), the full name and address of the contributor, the date of the contribution, the amount of the contribution, and the employer and occupation of each contributor. If the contributor is self-employed, the name under which he or she is doing business shall be listed;
 3. The total amount of cash contributions received during the reporting period; and
 4. A complete statement of expenditures authorized, incurred, or made. The complete statement of expenditures shall include the name and address of each person to whom an expenditure is made in excess of twenty-five dollars (\$25), and the amount, date, and purpose of each expenditure.
- (c) The report required by paragraph (a) of this subsection shall be made on a semiannual basis if the committee has more than ten thousand dollars (\$10,000) in its campaign fund account, and shall be received by the registry by January 31 and by July 31. The January report shall cover the period from July 1 to December 31. The July report shall cover the period from January 1 to June 30. If the committee has less than ten thousand dollars (\$10,000) in its campaign fund account the report required by paragraph (a) of this subsection shall be made on an annual basis, and shall be received by the registry by January 31. If an individual gives a reportable contribution to a caucus campaign committee or to a state or county executive committee with the intention that the contribution or a portion of the contribution go to a candidate or slate of candidates, the name of the contributor and the sum shall be indicated on the committee report. The report required by paragraph (b) of this subsection relating to a state executive committee's building fund account shall be received by the registry within two (2) business days after the close of each calendar quarter. The receipts and expenditures of funds remitted to each political party under KRS 141.071 to 141.073 shall be separately accounted for and reported to the registry in the manner required by KRS 121.230. The separate report may be made a separate section within the report required by this subsection to be received by the registry by January 31.
- (3) (a) Except for candidates or slates of candidates, campaign committees, or political issues committees exempted from reporting requirements pursuant to subsection (1) of this section, each campaign treasurer of a candidate, slate of candidates, campaign committee, or political issues committee who accepts contributions or expends, expects to accept contributions or expend, or contracts to expend more than five thousand dollars (\$5,000) in any one (1) election, and each fundraiser who secures contributions in excess of five thousand dollars (\$5,000) in any one (1) election, shall make a full report to the registry, on a form provided or using a format approved by the registry, of all money, loans, or other things of value, received from any source, and expenditures authorized, incurred, and made, since the date of the last report, including:
1. For each contribution of any amount made by a permanent committee, the name and business address of the permanent committee, the date of the contribution, the amount contributed, and a description of the major business, social, or political interest represented by the permanent committee;
 2. For each contribution in excess of one hundred dollars (\$100) made to any candidate or campaign committee or a political issues committee, the full name, address, age if less than the legal voting age, the date of the contribution, the amount of the contribution, and the employer and occupation of each other contributor. If the contributor is self-employed, the name under which he or she is doing business shall be listed;
 3. The total amount of cash contributions received during the reporting period; and
 4. A complete statement of all expenditures authorized, incurred, or made. The complete statement of expenditures shall include the name, address, and occupation of each person to whom an expenditure is made in excess of twenty-five dollars (\$25), and the amount, date, and purpose of each expenditure.
- (b) Reports of all candidates, slates of candidates, campaign committees, independent expenditure-only committees, political issues committees, and registered fundraisers shall be made as follows:

1. a. Candidates seeking statewide office, slates of candidates, campaign committees for candidates seeking statewide office and for slates of candidates, independent expenditure-only committees, political issues committees, and fundraisers which file the form described in subsection (1)(a) of this section before the year of an election in which the candidate, a slate of candidates, or public question shall appear on the ballot, shall file financial reports with the registry at the end of the first calendar quarter after persons become statewide candidates or slates of candidates, or following registration of the committee or fundraiser, and each calendar quarter thereafter, ending with the last calendar quarter of that year. The provisions of this subparagraph shall be retroactive to January 1, 2021;
 - b. All other candidates and campaign committees shall file annual financial reports to be received by the registry on or before December 1 for each year that a candidate is not yet on the ballot but has filed a form as described in subsection (1)(a) of this section with the registry for a future-year election; and
 - c. Candidates, slate of candidates, or committees shall make all reports required by subparagraphs 2. to 5. of this paragraph during the year in which the election takes place;
 2. All candidates, slates of candidates, campaign committees, independent expenditure-only committees, political issues committees, and registered fundraisers shall make reports on the sixtieth day preceding a regular election, including all previous contributions and expenditures;
 3. All candidates, slates of candidates, campaign committees, independent expenditure-only committees, political issues committees, and registered fundraisers shall make reports on the thirtieth day preceding an election, including all previous contributions and expenditures;
 4. All candidates, slates of candidates, campaign committees, independent expenditure-only committees, political issues committees, and registered fundraisers shall make reports on the fifteenth day preceding the date of the election; and
 5. All reports to the registry shall cover campaign activity during the entire reporting period and must be received by the registry within two (2) business days after the date the reporting period ends to be deemed timely filed.
- (4) All candidates, regardless of funds received or expended, campaign committees, independent expenditure-only committees, political issues committees, and registered fundraisers shall make post-election reports within thirty (30) days after the election. All post-election reports to the registry shall cover campaign activity during the entire reporting period and must be received by the registry within two (2) business days after the date the reporting period ends to be deemed timely filed. For candidates, slates of candidates, and political issues committees otherwise exempt under subsection (1)(a) of this section, the reporting period begins the day the request for exemption is filed with the registry and continues through the thirtieth day after the election.
- (5) In making the preceding reports, the total gross receipts from each of the following categories shall be listed: proceeds from the sale of tickets for events such as testimonial affairs, dinners, luncheons, rallies, and similar fundraising events, mass collections made at the events, and sales of items such as campaign pins, buttons, hats, ties, literature, and similar materials. When any individual purchase or the aggregate purchases of any item enumerated above from a candidate or slate of candidates for a statewide-elected state office or a campaign committee for a candidate or slate of candidates for a statewide-elected state office exceeds one hundred dollars (\$100), the purchaser shall be identified by name, address, age, if less than the legal voting age, occupation, and employer or, if the purchaser is self-employed, the name under which he or she is doing business, and the amount of the purchase. When any individual purchase or the aggregate purchases of any item enumerated above from any candidate or campaign committee other than a candidate or slate of candidates for a statewide-elected state office or campaign committee for a candidate or slate of candidates for a statewide-elected state office exceeds one hundred dollars (\$100), the purchaser shall be identified by name, address, age if less than the legal voting age, occupation, and employer or, if the purchaser is self-employed, the name under which he or she is doing business, and the amount of the purchase. The lists shall be maintained by the campaign treasurer, political issues committee treasurer, registered fundraiser, or other sponsor for inspection by the registry for six (6) years following the date of the election.
- (6) Each permanent committee, except a federally registered political committee as defined in 52 U.S.C. sec. 30101(4)(a), inaugural committee, or contributing organization shall make a full report to the registry, on a

form provided or using a format approved by the registry, of all money, loans, or other things of value, received by it from any source, and all expenditures authorized, incurred, or made, since the date of the last report, including:

- (a) For each contribution of any amount made by a permanent committee, the name and business address of the permanent committee, the date of the contribution, the amount contributed, and a description of the major business, social, or political interest represented by the permanent committee;
 - (b) For other contributions in excess of one hundred dollars (\$100), the full name, address, age if under the legal voting age, the date of the contribution, the amount of the contribution, and the employer and occupation of each contributor. If the contributor is self-employed, the name under which he or she is doing business shall be listed;
 - (c) An aggregate amount of cash contributions, the amount contributed by each contributor, and the date of each contribution; and
 - (d) A complete statement of all expenditures authorized, incurred, or made, including independent expenditures. This report shall be made by a permanent committee, inaugural committee, or contributing organization to the registry on the last day of the first calendar quarter following the registration of the committee with the registry and on the last day of each succeeding calendar quarter until such time as the committee terminates. A contributing organization shall file a report of contributions received and expenditures on a form provided or using a format approved by the registry not later than the last day of each calendar quarter in which contributions are received or expenditures are made. All reports to the registry shall be received on or before each filing deadline, and any report received by the registry within two (2) business days after each filing deadline shall be deemed timely filed.
- (7) If the final statement of a candidate, campaign committee, independent expenditure-only committee, or political issues committee shows an unexpended balance of contributions, continuing debts and obligations, or an expenditure deficit, the campaign treasurer shall file with the registry a supplemental statement of contributions and expenditures not more than thirty (30) days after the deadline for filing the final statement. Subsequent supplemental statements shall be filed annually, to be received by the registry by December 1 of each year, until the account shows no unexpended balance, continuing debts and obligations, expenditures, or deficit. All post-election reports to the registry shall cover campaign activity during the entire reporting period and must be received by the registry within two (2) business days after the date the reporting period ends to be deemed timely filed. All contributions shall be subject to KRS 121.150 as of the date of the election in which the candidate appeared on the ballot.
- (8) All reports filed under the provisions of this chapter shall be a matter of public record open to inspection by any member of the public immediately upon receipt of the report by the registry.
- (9) A candidate or slate of candidates is relieved of the duty personally to file reports and keep records of receipts and expenditures if the candidate or slate states in writing or on forms provided by the registry that:
- (a) Within five (5) business days after personally receiving any contributions, the candidate or slate of candidates shall surrender possession of the contributions to the treasurer of their campaign committee without expending any of the proceeds thereof. No contributions shall be commingled with the candidate's or slated candidates' personal funds or accounts. Contributions received by check, money order, or other written instrument shall be endorsed directly to the campaign committee and shall not be cashed or redeemed by the candidate;
 - (b) The candidate or slate of candidates shall not make any unreimbursed expenditure for the campaign, except that this paragraph does not preclude a candidate or slate from making an expenditure from personal funds to the designated campaign committee, which shall be reported by the committee as a contribution received; and
 - (c) The waiver shall continue in effect as long as the candidate or slate of candidates complies with the conditions under which it was granted.
- (10) (a) No candidate, slate of candidates, campaign committee, independent expenditure-only committee, political issues committee, or contributing organization shall use or permit the use of contributions or funds solicited or received for the person or in support of or opposition to a public issue which will appear on the ballot to:
- 1. Further the candidacy of the person for a different public office;

2. Support or oppose a different public issue; or
 3. Further the candidacy of any other person for public office.
- (b) Nothing in this subsection shall be deemed to prohibit a candidate or slate of candidates from using funds in a campaign account to **contribute directly to another candidate or slate of candidates for state or federal office, or to** purchase admission tickets for ~~for, or contribute to,~~ any fundraising event or testimonial affair for another candidate or slate of candidates **for state or federal office**, if the amount of the purchase or contribution does not exceed the individual contribution limit contained in KRS 121.150(6) **or 52 U.S.C. sec. 30116** in any one (1) election.
- (c) Any funds or contributions solicited or received by or on behalf of a candidate, slate of candidates, or any committee, which has been organized in whole or in part to further any candidacy for the same person or to support or oppose the same public issue, shall be deemed to have been solicited or received for the current candidacy or for the election on the public issue if the funds or contributions are solicited or received at any time prior to the regular election for which the candidate, slate of candidates, or public issue is on the ballot.
- (d) Any unexpended balance of funds not otherwise obligated for the payment of expenses incurred to further a political issue or the candidacy of a person shall, in whole or in part, at the election of the candidate or committee:
1. Escheat to the State Treasury;
 2. Be returned pro rata to all contributors;
 3. In the case of a partisan candidate, be transferred to:
 - a. A caucus campaign committee; or
 - b. The state or county executive committee of the political party of which the candidate is a member;
 4. Be retained to further the same public issue or to seek election to the same office; or
 5. Be donated to any charitable, nonprofit, or educational institution recognized under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and any successor thereto, from which the candidate or committee receives no financial benefit.
- (11) If adequate and appropriate agency funds are available to implement this subsection, electronic reporting shall be made available by the registry to all candidates, slates of candidates, committees, contributing organizations, registered fundraisers, and persons making independent expenditures. The electronic report submitted to the registry shall be the official campaign finance report for audit and other legal purposes, whether mandated or filed by choice.
- (12) The date that an electronic or on-line report shall be deemed to have been filed with the registry shall be the date on which it is received by the registry.
- (13) All electronic or online filers shall affirm, under penalty of perjury, that the report filed with the registry is complete and accurate.
- (14) Filers who submit electronic campaign finance reports which are not readable, or cannot be copied shall be deemed to not be in compliance with the requirements set forth in this section.
- (15) Beginning with the primary scheduled in calendar year 2020, and for each subsequent election scheduled thereafter, reports required to be submitted to the registry involving candidates, slates of candidates, committees, contributing organizations, and independent expenditures shall be reported electronically.
- (16) (a) On each form that the registry supplies for the reports required under subsections (2), (3), and (6) of this section, the registry shall include an entry reading, "No change since last report."
- (b) If a person or entity that is required to report under subsection (2), (3), or (6) of this section has received no money, loans, or other things of value from any source since the date of its last report and has not authorized, incurred, or made any expenditures since that date, the person or entity may check or otherwise designate the entry that reads, "No change since last report." A person or entity designating this entry in a report shall state the balance carried forward from the last report but need not specify receipts or expenditures in further detail.

➔ Section 9. KRS 121.190 is amended to read as follows:

- (1) All newspaper or magazine advertising, posters, circulars, billboards, handbills, sample ballots, and paid-for television or radio announcements, ***or any other type of general public political advertising***, which expressly advocate the election or defeat of a clearly identified candidate, slate of candidates, or group of candidates for nomination or election to any public office, ***or expressly advocate or oppose a ballot measure***, shall be identified by the words "paid for by" followed by the name and address of the individual or committee which paid for the communication; except that if paid for by a candidate, slate of candidates, or campaign committee, it shall be identified only by the words "paid for by" followed by the name of the candidate, slate of candidates, or campaign committee, whichever is applicable. For television and radio broadcasts, compliance with Federal Communications Commission regulations regarding sponsored programs and broadcasts by candidates for public office shall be considered compliance with this section.
- (2) The disclaimer described in subsection (1) of this section shall appear and be presented in a clear and conspicuous manner to give the reader or observer adequate notice of the identity of the purchaser of the communication. A disclaimer does not comply with this section if the disclaimer is difficult to read or if the placement of the disclaimer is easily overlooked.
- (3) The provisions of subsection (1) of this section shall not apply to:
 - (a) Any news articles, editorial endorsements, opinion, or commentary writings, or letter to the editor printed in a newspaper, magazine, flyer, pamphlet, or other periodical not owned or controlled by a candidate or committee;
 - (b) Any editorial endorsements or opinions aired by a broadcast facility not owned or controlled by a candidate or committee;
 - (c) Any communication by a person made in the regular course and scope of the person's business or any communication made by a membership organization solely to members of the organization and the members' families; and
 - (d) Any communication that refers to any candidate only as part of the popular name of a bill or statute.
- (4)
 - (a) A person shall not use, cause or permit to be used, or continue to use any published, distributed, or broadcast political advertising containing express advocacy that the person knows does not include the disclosure required by subsection (1) of this section. A person is presumed to know that the use of political advertising is prohibited by this subsection if the registry notifies the person in writing that the use is prohibited.
 - (b) A person who learns that political advertising signs that have been distributed do not include the disclosure required by subsection (1) of this section or include a disclosure that does not comply with subsection (1) of this section does not commit a violation of this subsection if the person makes a good-faith attempt to remove or correct those signs within forty-eight (48) hours and provides the registry with proof of correction.
- (5) The management of newspapers and magazines shall keep a one (1) year record of all statements, articles, or advertisements referred to in subsection (1) of this section, that appear in their publications, however, nothing in subsection (1) of this section shall be construed to require editors or editorial writers of newspapers and magazines to identify themselves in the manner therein required with any article or editorial written by them as part of their duties as an employee or employer.

Signed by Governor March 24, 2025.