

1 AN ACT relating to transparency in 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, but does not include an entity established
15 solely by a candidate which is managed solely by a candidate and a campaign
16 treasurer and whose name is generic in nature, such as "Friends of (the
17 candidate)," and does not reflect that other persons have structured themselves
18 as a committee, designated officers of the committee, and assigned
19 responsibilities and duties to each officer with the purpose of managing a
20 campaign to support or oppose a candidate in an election;

21 (b) "Caucus campaign committee," which means members of one (1) of the
22 following caucus groups who receive contributions and make expenditures to
23 support or oppose one (1) or more specific candidates or slates of candidates
24 for nomination or election, or a committee:

- 25 1. House Democratic caucus campaign committee;
- 26 2. House Republican caucus campaign committee;
- 27 3. Senate Democratic caucus campaign committee;

- 1 4. Senate Republican caucus campaign committee; or
- 2 5. Subdivisions of the state executive committee of a minor political party,
- 3 which serve the same function as the above-named committees, as
- 4 determined by regulations promulgated by the registry;
- 5 (c) "Political issues committee," which means three (3) or more persons joining
- 6 together to advocate or oppose a constitutional amendment or public question
- 7 which appears on the ballot if that committee receives or expends money in
- 8 excess of one thousand dollars (\$1,000);
- 9 (d) "Permanent committee," which means a group of individuals, including an
- 10 association, committee, or organization, other than a campaign committee,
- 11 political issues committee, inaugural committee, caucus campaign committee,
- 12 or party executive committee, which is established as, or intended to be, a
- 13 permanent organization having as a primary purpose expressly advocating the
- 14 election or defeat of one (1) or more clearly identified candidates, slates of
- 15 candidates, or political parties, which functions on a regular basis throughout
- 16 the year;
- 17 (e) An executive committee of a political party;~~and~~
- 18 (f) "Inaugural committee," which means one (1) or more persons who receive
- 19 contributions and make expenditures in support of inauguration activities for
- 20 any candidate or slate of candidates elected to any state, county, city, or
- 21 district office; and
- 22 (g) "Unauthorized campaign committee" which means a campaign committee
- 23 that is not authorized by or has been disavowed by the candidate, and which
- 24 includes but is not limited to the following entities:
- 25 1. A federal political action committee;
- 26 2. An out-of-state political committee; or
- 27 3. An organization holding tax-exempt status under Section 501(c)(3),

1 *(4), (6), or 527 of the Internal Revenue Code;*

- 2 (4) "Contributing organization" means a group which merely contributes to candidates,
3 slates of candidates, campaign committees, caucus campaign committees, or
4 executive committees from time to time from funds derived solely from within the
5 group, and which does not solicit or receive funds from sources outside the group
6 itself. However, any contributions made by the groups in excess of one hundred
7 dollars (\$100) shall be reported to the registry;
- 8 (5) "Testimonial affair" means an affair held in honor of a person who holds or who is
9 or was a candidate for nomination or election to a political office in this state
10 designed to raise funds for any purpose not charitable, religious, or educational;
- 11 (6) "Contribution" means any:
- 12 (a) Payment, distribution, loan, deposit, or gift of money or other thing of value,
13 to a candidate, his or her agent, a slate of candidates, its authorized agent, a
14 committee, or contributing organization. As used in this subsection, "loan"
15 shall include a guarantee, endorsement, or other form of security where the
16 risk of nonpayment rests with the surety, guarantor, or endorser, as well as
17 with a committee, contributing organization, candidate, slate of candidates, or
18 other primary obligor. No person shall become liable as surety, endorser, or
19 guarantor for any sum in any one (1) election which, when combined with all
20 other contributions the individual makes to a candidate, his or her agent, a
21 slate of candidates, its agent, a committee, or a contributing organization,
22 exceeds the contribution limits provided in KRS 121.150;
- 23 (b) Payment by any person other than the candidate, his or her authorized
24 treasurer, a slate of candidates, its authorized treasurer, a committee, or a
25 contributing organization, of compensation for the personal services of
26 another person which are rendered to a candidate, slate of candidates,
27 committee, or contributing organization, or for inauguration activities;

- 1 (c) Goods, advertising, or services with a value of more than one hundred dollars
2 (\$100) in the aggregate in any one (1) election which are furnished to a
3 candidate, slate of candidates, committee, or contributing organization or for
4 inauguration activities without charge, or at a rate which is less than the rate
5 normally charged for the goods or services; or
- 6 (d) Payment by any person other than a candidate, his or her authorized treasurer,
7 a slate of candidates, its authorized treasurer, a committee, or contributing
8 organization for any goods or services with a value of more than one hundred
9 dollars (\$100) in the aggregate in any one (1) election which are utilized by a
10 candidate, slate of candidates, committee, or contributing organization, or for
11 inauguration activities;
- 12 (7) Notwithstanding the foregoing meanings of "contribution," the word shall not be
13 construed to include:
- 14 (a) Services provided without compensation by individuals volunteering a portion
15 or all of their time on behalf of a candidate, a slate of candidates, committee,
16 or contributing organization;
- 17 (b) A loan of money by any financial institution doing business in Kentucky made
18 in accordance with applicable banking laws and regulations and in the
19 ordinary course of business; or
- 20 (c) An independent expenditure by any individual or permanent committee;
- 21 (8) "Candidate" means any person who has received contributions or made
22 expenditures, has appointed a campaign treasurer, or has given his or her consent
23 for any other person to receive contributions or make expenditures with a view to
24 bringing about his or her nomination or election to public office, except federal
25 office;
- 26 (9) "Slate of candidates" means any two (2) persons who have filed a joint notification
27 and declaration pursuant to KRS 118.127, received contributions or made

1 expenditures, appointed a campaign treasurer, designated a campaign depository, or
2 given their consent for any other person to receive contributions or make
3 expenditures with a view to bringing about their nomination for election to the
4 offices of Governor and Lieutenant Governor. Unless the context requires
5 otherwise, any provision of law that applies to a candidate shall also apply to a slate
6 of candidates;

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

10 (11) "Fundraiser" means an individual who directly solicits and secures contributions on
11 behalf of a candidate or slate of candidates for a statewide-elected state office or an
12 office in a jurisdiction with a population in excess of two hundred thousand
13 (200,000) residents;

14 (12) "Independent expenditure" means the expenditure of money or other things of value
15 for a communication which expressly advocates the election or defeat of a clearly
16 identified candidate or slate of candidates, and which is made without any
17 coordination, consultation, or cooperation with any candidate, slate of candidates,
18 campaign committee, or any authorized person acting on behalf of any of them, and
19 which is not made in concert with, or at the request or suggestion of any candidate,
20 slate of candidates, campaign committee, or any authorized person acting on behalf
21 of any of them;

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

27 (14) "Security procedure" means a procedure employed for the purpose of verifying that

1 an electronic signature, record, or performance is that of a specific person or for
 2 detecting changes or errors in the information in an electronic record. The term
 3 includes a procedure that requires the use of algorithms or other codes, identifying
 4 words or numbers, encryption, or callback or other acknowledgment procedures;

5 (15) "Electronic signature" means an electronic sound, symbol, or process attached to or
 6 logically associated with a record and executed or adopted by a person with the
 7 intent to sign the record;

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

10 (17) "Filer-side software" means software provided to or used by the filer that enables
 11 transmittal of financial reports to the registry.

12 ➔Section 2. KRS 121.190 is amended to read as follows:

13 (1) (a) All newspaper or magazine advertising, posters, circulars, billboards,
 14 handbills, sample ballots, and paid-for television,~~[-or]~~ radio, or Internet
 15 announcements, which expressly advocate for the election or defeat of a
 16 clearly identified candidate, slate of candidates,~~[-or]~~ group of candidates,
 17 political party, or group,~~[for nomination or election to any public office]~~
 18 shall be identified by the words "paid for by" followed by the name and
 19 address of the individual,~~[-or]~~ committee, group, association, or contributing
 20 organization, which paid for the communication; except that if paid for by a
 21 candidate, slate of candidates, or campaign committee, it shall be identified
 22 only by the words "paid for by" followed by the name of the candidate, slate
 23 of candidates, or campaign committee, whichever is applicable.

24 (b) If paid for by any other committee, group, association, or contributing
 25 organization other than those described in paragraph (a) of this subsection,
 26 it shall also include:

27 1. The name and address of the person or persons that organized the

1 committee, group, association, or contributing organization; and
2 2. The name of the treasurer, president, director, or chief executive
3 officer, or the equivalent officers of the committee, group, association,
4 or contributing organization.

5 (c) For television and radio broadcasts, compliance with Federal Communications
6 Commission regulations regarding sponsored programs and broadcasts by
7 candidates for public office shall be considered compliance with this section.

8 (2) The management of newspapers and magazines shall keep a one (1) year record of
9 all statements, articles, or advertisements referred to in subsection (1) of this
10 section, that appear in their publications, however, nothing in subsection (1) of this
11 section shall be construed to require editors or editorial writers of newspapers and
12 magazines to identify themselves in the manner therein required with any article or
13 editorial written by them as part of their duties as an employee or employer.

14 ➔Section 3. KRS 121.210 is amended to read as follows:

15 (1) Each candidate or slate of candidates may designate one (1) central campaign
16 committee as a candidate-authorized campaign committee. If so designated, the
17 central campaign committee shall receive all reports made by any other campaign
18 committee authorized in writing by the candidate or slate of candidates to accept
19 contributions or make expenditures for the purpose of influencing the nomination
20 for election, or election, of the candidate or slate of candidates who designated a
21 central campaign committee.

22 (2) Each statement or report which a candidate-authorized committee is required to file
23 with or furnish to the registry shall, if that committee is not a central campaign
24 committee, be furnished instead to the central campaign committee for the
25 candidate on whose behalf that committee is, or is established for the purpose of,
26 accepting contributions or making expenditures.

27 (3) Each central campaign committee shall receive all reports and statements filed with

1 or furnished to it by other candidate-authorized committees, and shall consolidate
2 and furnish the reports and statements to the registry, together with its own reports
3 and statements as prescribed by KRS 121.180.

4 (4) *An unauthorized campaign committee, as defined in Section 1 of this Act*~~[A~~
5 ~~campaign committee not authorized by, or which has been disavowed by the~~
6 ~~candidate]~~, shall not include the name of the candidate as part of the committee's
7 name and shall file the reports and statements with the registry as prescribed in KRS
8 121.180~~[as an unauthorized campaign committee]~~.

9 ➔Section 4. This Act may be cited as the Campaign Fund Disclosure and
10 Transparency Act of 2020.