

1 AN ACT relating to executive branch ethics.

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

3 ➔Section 1. KRS 11A.040 is amended to read as follows:

- 4 (1) A public servant, in order to further his own economic interests, or those of any  
5 other person, shall not knowingly disclose or use confidential information acquired  
6 in the course of his official duties.
- 7 (2) A public servant shall not knowingly receive, directly or indirectly, any interest or  
8 profit arising from the use or loan of public funds in his hands or to be raised  
9 through any state agency.
- 10 (3) A public servant shall not knowingly act as a representative or agent for the  
11 Commonwealth or any agency in the transaction of any business or regulatory  
12 action with himself, or with any business in which he or a member of his family has  
13 any interest greater than five percent (5%) of the total value thereof.
- 14 (4) A public servant shall not knowingly himself or through any business in which he  
15 owns or controls an interest of more than five percent (5%), or by any other person  
16 for his use or benefit or on his account, undertake, execute, hold, bid on, negotiate,  
17 or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made,  
18 entered into, awarded, or granted by the agency by which he is employed or which  
19 he supervises, subject to the provisions of KRS 45A.340. This provision shall not  
20 apply to:
- 21 (a) A contract, purchase, or good faith negotiation made pursuant to KRS Chapter  
22 416 relating to eminent domain; or
- 23 (b) Agreements which may directly or indirectly involve public funds disbursed  
24 through entitlement programs; or
- 25 (c) A public servant's spouse or child doing business with any state agency other  
26 than the agency by which the public servant is employed or which he  
27 supervises; or

- 1 (d) Purchases from a state agency that are available on the same terms to the  
2 general public or that are made at public auction; or
- 3 (e) Sales of craft items to a state park by interim state employees designated as  
4 craftspersons under KRS 148.257.
- 5 (5) A public servant shall not knowingly accept compensation, other than that provided  
6 by law for public servants, for performance of his official duties without the prior  
7 approval of the commission.
- 8 (6) A former officer or public servant listed in KRS 11A.010(9)(a) to (g) shall not,  
9 within one (1) year~~[six (6) months]~~ of termination of his employment, knowingly  
10 by himself or through any business in which he owns or controls an interest of at  
11 least five percent (5%), or by any other person for his use or benefit or on his  
12 account, undertake, execute, hold, bid on, negotiate, or enjoy, in whole or in part,  
13 any contract, agreement, lease, sale, or purchase made, entered into, awarded, or  
14 granted by the agency by which he was employed. This provision shall not apply to  
15 a contract, purchase, or good faith negotiation made under KRS Chapter 416  
16 relating to eminent domain or to agreements that may directly or indirectly involve  
17 public funds disbursed through entitlement programs. This provision shall not apply  
18 to purchases from a state agency that are available on the same terms to the general  
19 public or that are made at public auction. This provision shall not apply to former  
20 officers of the Department of Public Advocacy whose continued representation of  
21 clients is necessary in order to prevent an adverse effect on the client.
- 22 (7) A present or former officer or public servant listed in KRS 11A.010(9)(a) to (g)  
23 shall not, within one (1) year~~[six (6) months]~~ following termination of his office or  
24 employment, accept employment, compensation, or other economic benefit from  
25 any person or business that contracts or does business with, or is regulated by, the  
26 state in matters in which he was directly involved during the last thirty-six (36)  
27 months of his tenure. This provision shall not prohibit an individual from returning

1 to the same business, firm, occupation, or profession in which he was involved prior  
2 to taking office or beginning his term of employment, or for which he received,  
3 prior to his state employment, a professional degree or license, provided that, for a  
4 period of one (1) year~~[six (6) months]~~, he personally refrains from working on any  
5 matter in which he was directly involved during the last thirty-six (36) months of  
6 his tenure in state government. This subsection shall not prohibit the performance of  
7 ministerial functions, including but not limited to filing tax returns, filing  
8 applications for permits or licenses, or filing incorporation papers, nor shall it  
9 prohibit the former officer or public servant from receiving public funds disbursed  
10 through entitlement programs.

11 (8) A former public servant shall not act as a lobbyist or lobbyist's principal in matters  
12 in which he was directly involved during the last thirty-six (36) months of his tenure  
13 for a period of one (1) year after the latter of:

- 14 (a) The date of leaving office or termination of employment; or  
15 (b) The date the term of office expires to which the public servant was elected.

16 (9) A former public servant shall not represent a person or business before a state  
17 agency in a matter in which the former public servant was directly involved during  
18 the last thirty-six (36) months of his tenure, for a period of one (1) year after the  
19 latter of:

- 20 (a) The date of leaving office or termination of employment; or  
21 (b) The date the term of office expires to which the public servant was elected.

22 (10) Without the approval of his appointing authority, a public servant shall not accept  
23 outside employment from any person or business that does business with or is  
24 regulated by the state agency for which the public servant works or which he  
25 supervises, unless the outside employer's relationship with the state agency is  
26 limited to the receipt of entitlement funds.

27 (a) The appointing authority shall review administrative regulations established

1 under KRS Chapter 11A when deciding whether to approve outside  
2 employment for a public servant.

3 (b) The appointing authority shall not approve outside employment for a public  
4 servant if the public servant is involved in decision-making or  
5 recommendations concerning the person or business from which the public  
6 servant seeks outside employment or compensation.

7 (c) The appointing authority, if applicable, shall file quarterly with the Executive  
8 Branch Ethics Commission a list of all employees who have been approved  
9 for outside employment along with the name of the outside employer of each.

10 (11) The prohibitions imposed by subsection (5) or (10) of this section shall not apply to  
11 Professional Golfers' Association class A members who teach golf lessons and  
12 receive a fee or lesson charge at golf courses owned and operated by the Kentucky  
13 Department of Parks. Instruction provided by an employee of the Commonwealth  
14 shall only be given while the employee is on his or her own personal time. The  
15 commissioner of the Department of Parks shall promulgate administrative  
16 regulations to establish guidelines for the process by which Professional Golfers'  
17 Association class A members are approved to teach golf lessons at Kentucky  
18 Department of Parks-owned golf courses. The exception granted by this subsection  
19 is in recognition of the benefits that will accrue to the Kentucky Department of  
20 Parks due to increased participation at state-owned golf courses.

21 ➔Section 2. KRS 11A.050 is amended to read as follows:

22 (1) Each officer, each public servant listed in KRS 11A.010(9)(a) to (g), and each  
23 candidate shall file a statement of financial disclosure with the commission, as  
24 follows:

25 (a) **Each officer shall file the statement within thirty (30) days of employment**  
26 **as an officer, and each officer who occupies his or her position during any**  
27 **portion of a calendar year shall file the statement for that portion of the**

1                   *calendar year he or she occupied the position on or before April 15 of the*  
 2                   *following year, whether or not he or she remains an officer.*

3           **(b)** Each ~~[officer and each]~~ public servant listed in KRS 11A.010(9)(a) to (g) who  
 4           occupies his *or her* position during any portion of a calendar year shall file the  
 5           statement for that portion of the calendar year he *or she* occupied the position  
 6           on or before April 15 of the following year, whether or not he *or she* remains  
 7           ~~a~~[an officer or] public servant as listed in KRS 11A.010(9)(a) to (g).

8           **(c)**~~(b)~~ Each officer and public servant listed in KRS 11A.010(9)(a) to (g) who  
 9           does not remain an officer or public servant listed in KRS 11A.010(9)(a) to  
 10          (g) for the entire calendar year shall file the statement for the portion of the  
 11          calendar year that the person served as an officer or public servant listed in  
 12          KRS 11A.010(9)(a) to (g). The statement shall be filed with the commission  
 13          within thirty (30) days after the date the person no longer serves as an officer  
 14          or public servant listed in KRS 11A.010(9)(a) to (g).

15          **(d)**~~(c)~~ A candidate shall file the statement reflecting the previous calendar year  
 16          with the commission no later than February 15.

17          (2) The statement of financial disclosure shall be filed on a form prescribed by the  
 18          commission. The commission shall provide copies of the form upon request without  
 19          charge.

20          (3) The statement shall include the following information for the preceding calendar  
 21          year:

22                  (a) Name and entire residential and business address of filer;

23                  (b) Title of position or office whereby filing is required;

24                  (c) Any other occupations of filer and spouse;

25                  (d) Positions held by the filer or his *or her* spouse in any business, and the name  
 26                  and address of the business;

27                  (e) *Name and address of any employer by whom the filer was employed for the*

1           *one (1) year period immediately prior to becoming an officer, not including*  
2           *those listed in paragraph (d) of this subsection;*

3           (f) Names and addresses of all businesses in which the filer, his *or her* spouse, or  
4           dependent children has or had an interest of ten thousand dollars (\$10,000) at  
5           fair market value or five percent (5%) ownership interest or more;

6           ~~(g)~~ (f) The name and address of any source of gross income exceeding one  
7           thousand dollars (\$1,000) from any one (1) source to the filer, his *or her*  
8           spouse, or dependent child, as well as information concerning the nature of the  
9           business, and the form of the income;

10          ~~(g) Sources of retainers received by the filer or his spouse relating to matters of~~  
11          ~~the state agency for which the filer works or supervises or of any other entity~~  
12          ~~of state government for which the filer would serve in a decision-making~~  
13          ~~capacity, including each source's name and address;]~~

14          (h) Any representation or intervention for compensation by the filer or his *or her*  
15          spouse for any person or business before a state agency for which the filer  
16          works or supervises or before any entity of state government for which the  
17          filer would serve in a decision-making capacity, including the name and  
18          address of the person or business;

19          (i) All positions of a fiduciary nature held by the filer or his *or her* spouse in a  
20          business, including the name and address of the business;

21          (j) Information, including a street address or location, regarding any real property  
22          in which there is an interest of ten thousand dollars (\$10,000) or more held by  
23          the filer, his *or her* spouse, or dependent children;

24          (k) Sources, including each source's name and address, of gifts of money or  
25          property with a retail value of more than two hundred dollars (\$200) from any  
26          one (1) source to the filer, his *or her* spouse, or dependent children, except  
27          those from a member of the filer's family;~~and]~~

- 1 (l) Identity, including an address, of creditors owed more than ten thousand  
 2 dollars (\$10,000), except debts arising from the purchase of consumer goods;  
 3 and  
 4 (m) Names and addresses of family members of the filer or persons with whom  
 5 the filer was engaged in a business who are registered as legislative agents  
 6 under KRS 6.807 or executive agency lobbyists under KRS 11A.211.

7 Paragraphs (a) to ~~(m)~~ of this subsection shall not require disclosure of specific  
 8 dollar amounts or of privileged information.

9 ➔Section 3. KRS 11A.080 is amended to read as follows:

- 10 (1) (a) Upon a complaint signed under penalty of perjury by any person, or upon its  
 11 own motion, the commission shall conduct a preliminary investigation of any  
 12 alleged violation of this chapter.
- 13 (b) The preliminary investigation shall begin not later than ten (10) days after the  
 14 next commission meeting following the receipt of the sworn complaint, or, if  
 15 the investigation is initiated by the commission's own motion, not later than  
 16 ten (10) days after the date of the adoption of the motion.
- 17 (c) Within ten (10) days of the commencement of the preliminary investigation,  
 18 the commission shall forward a copy of the complaint, if one has been filed, or  
 19 a statement of possible violations being investigated, and a general statement  
 20 of the applicable law to the person alleged to have committed a violation.
- 21 (2) All commission proceedings and records relating to a preliminary investigation  
 22 shall be confidential until a final determination is made by the commission, except:
- 23 (a) The commission may turn over to the Attorney General, the United States  
 24 Attorney, or the Commonwealth's attorney of the jurisdiction in which the  
 25 offense allegedly occurred, evidence which may be used in criminal  
 26 proceedings or, at its discretion, may at any time turn over to the Personnel  
 27 Board, the Auditor of Public Accounts, or any other agency with jurisdiction

1 to review, audit, or investigate the alleged offense, evidence which may be  
2 used by those agencies for investigative purposes;

3 (b) If the alleged violator publicly discloses the existence of a preliminary  
4 investigation, the commission may publicly confirm the existence of the  
5 inquiry and, in its discretion, make public any documents which were issued  
6 to either party;

7 (c) If the matter being investigated was referred to the commission from another  
8 state agency, the commission may inform the referring state agency of the  
9 status of any preliminary investigation and of any action taken on the matter.

10 (3) If the commission determines in the preliminary investigation that the facts are not  
11 sufficient to constitute a violation of this chapter, the commission shall immediately  
12 terminate the investigation and notify in writing the complainant, if any, and the  
13 person alleged to have committed a violation. The commission may confidentially  
14 inform the alleged violator of potential violations and provide information to ensure  
15 future compliance with the law. If the alleged violator publicly discloses the  
16 existence of such action by the commission, the commission may confirm the  
17 existence of the resolution and, in its discretion, make public any documents which  
18 were issued to the alleged violator.

19 (4) If the commission, during the course of the preliminary investigation, finds probable  
20 cause to believe that a violation of this chapter has occurred, the commission may,  
21 upon majority vote:

22 (a) Due to mitigating circumstances such as lack of significant economic  
23 advantage or gain by the alleged violator, lack of significant economic loss to  
24 the state, or lack of significant impact on public confidence in government, in  
25 writing, confidentially reprimand the alleged violator for potential violations  
26 of the law and provide a copy of the reprimand to the alleged violator's  
27 appointing authority, if any. If the alleged violator publicly discloses the



1 existence of such an action, the commission may confirm the existence of the  
 2 action and, in its discretion, make public any documents which were issued to  
 3 the alleged violator; or

4 (b) Initiate an administrative proceeding to determine whether there has been a  
 5 violation.

6 **(5) If the commission determines that a violation of this chapter has occurred in a**  
 7 **case involving a contract with state government, the secretary of the Finance and**  
 8 **Administration Cabinet may void any contract related to that case.**

9 **(6) If the commission determines that a violation of the provisions of KRS 11A.001 to**  
 10 **11A.130 has occurred, an employer of a former officer or public servant may be**  
 11 **subject to a fine of up to one thousand dollars (\$1,000) for each offense.**

12 ➔Section 4. KRS 11A.110 is amended to read as follows:

13 The commission shall perform the following additional duties:

14 (1) On its own initiative or upon a signed request in writing, issue and publish advisory  
 15 opinions on the requirements of this chapter for those who wish to use the opinion  
 16 to guide their own conduct. If requested in writing by the person seeking the  
 17 advisory opinion, the commission shall not release that person's name;

18 (2) Provide a continuing program of education, assistance, and information to public  
 19 servants, including, but not limited to, publishing and making available to the  
 20 persons subject to this chapter and the public explanatory information concerning  
 21 this chapter, the duties imposed by it, and the means of enforcement;

22 (3) Promulgate administrative regulations in accordance with KRS Chapter 13A to  
 23 implement this chapter, **including, if required by the commission, electronic filing**  
 24 **of disclosure statements by executive agency lobbyists, their employers, or real**  
 25 **parties in interest;**

26 (4) Prescribe forms for statements required by this chapter and furnish the forms to  
 27 persons required to file the statements. The forms shall be adopted as administrative

- 1 regulations or adopted by reference in an administrative regulation;
- 2 (5) Prepare and publish a manual of guidelines setting forth uniform methods of  
3 reporting for use by persons required to file under this chapter;
- 4 (6) Accept and file any information voluntarily supplied that exceeds the requirements  
5 of this chapter;
- 6 (7) Preserve the disclosure statements filed with it for four (4) years from the date of  
7 receipt;
- 8 (8) Make statements and reports filed with the commission available for public  
9 inspection and copying pursuant to KRS 61.870 to KRS 61.884 (Kentucky Open  
10 Records Law);
- 11 (9) Compile and maintain a current index of all statements filed with the commission to  
12 facilitate public access to the reports and statements;
- 13 (10) Prepare and publish reports as it may deem appropriate;
- 14 (11) Audit statements and reports filed with the commission;
- 15 (12) Make recommendations for legislation relating to governmental ethics and other  
16 matters included in this chapter as the commission deems desirable; and
- 17 (13) Prepare a biennial written report, no later than December 1 of each odd-numbered  
18 year, to the Legislative Research Commission, the Governor, and the public on the  
19 activities of the commission in the preceding two (2) fiscal years. The report shall  
20 contain the names and duties of each individual employed by the commission and a  
21 summary of commission determinations and advisory opinions. The commission  
22 shall prevent disclosure of the identity of a person involved in decisions or advisory  
23 opinions. The report may contain other information on matters within the  
24 commission's jurisdiction and recommendations for legislation as the commission  
25 deems desirable.

26 ➔Section 5. KRS 11A.201 is amended to read as follows:

27 As used in KRS 11A.201 to 11A.246 and KRS 11A.990:

- 1 (1) "Compensation" means any money, thing of value, or economic benefit conferred  
2 on, or received by, any person in return for services rendered, or to be rendered, by  
3 himself or another;
- 4 (2) (a) "Expenditure" means any of the following that is made to, or for the benefit of  
5 an elected executive official, the secretary of a cabinet listed in KRS 12.250,  
6 an executive agency official, or a member of the staff of any of the officials  
7 listed in this paragraph:
- 8 1. A payment, distribution, loan, advance, deposit, reimbursement, or gift  
9 of money, real estate, or anything of value, including, but not limited to,  
10 food and beverages, entertainment, lodging, transportation, or honoraria;
  - 11 2. A contract, promise, or agreement to make an expenditure; or
  - 12 3. The purchase, sale, or gift of services or any other thing of value.
- 13 (b) "Expenditure" does not include a contribution, gift, or grant to a foundation or  
14 other charitable organization that is exempt from federal income taxation  
15 under Section 501(c)(3) of the Internal Revenue Code. "Expenditure" does not  
16 include the purchase, sale, or gift of services or any other thing of value that is  
17 available to the general public on the same terms as it is available to the  
18 persons listed in this subsection. "Expenditure" does not include a payment,  
19 contribution, gift, purchase, or any other thing of value that is made to or on  
20 behalf of any elected executive official, the secretary of a cabinet listed in  
21 KRS 12.250, an executive agency official, or any member of the staff of any  
22 of the officials listed in this paragraph who works for a state agency for which  
23 the executive agency lobbyist is not registered to influence;
- 24 (3) "Employer" means any person who engages an executive agency lobbyist;
- 25 (4) "Engage" means to make any arrangement, and "engagement" means arrangement,  
26 whereby an individual is employed or retained for compensation to act for or on  
27 behalf of an employer to influence executive agency decisions or to conduct any

- 1 executive agency lobbying activity;
- 2 (5) (a) "Financial transaction" means a transaction or activity that is conducted or  
3 undertaken for profit and arises from the joint ownership, or the ownership, or  
4 part ownership in common of any real or personal property or any commercial  
5 or business enterprise of whatever form or nature between the following:
- 6 1. An executive agency lobbyist, his or her employer, a real party in  
7 interest, or a member of the immediate family of the executive agency  
8 lobbyist, his or her employer, or a real party in interest; and
- 9 2. Any elected executive official, the secretary of a cabinet listed in KRS  
10 12.250, an executive agency official, or any member of the staff of any  
11 of the officials listed in this subparagraph.
- 12 (b) "Financial transaction" does not include any transaction or activity described  
13 in paragraph (a) of this subsection if it is available to the general public on the  
14 same terms;
- 15 (6) "Executive agency" means the office of an elected executive official, a cabinet listed  
16 in KRS 12.250, or any other state agency, department, board, or commission  
17 controlled or directed by an elected executive official or otherwise subject to his or  
18 her authority. "Executive agency" does not include any court or the General  
19 Assembly;
- 20 (7) "Executive agency decision" means a decision of an executive agency regarding the  
21 expenditure of funds of the state or of an executive agency with respect to the award  
22 of a contract, grant, lease, or other financial arrangement under which those funds  
23 are distributed or allocated. **This shall also include decisions made concerning:**
- 24 **(a) The parameters of requests for information and requests for proposal;**
- 25 **(b) Drafting, adopting, or implementing a budget provision;**
- 26 **(c) Administrative regulations or rules;**
- 27 **(d) An executive order;**

1 (e) Legislation or amendments thereto; or

2 (f) Other public policy decisions.

3 (8) (a) "Executive agency lobbyist" means any person engaged to influence executive  
4 agency decisions or to conduct executive agency lobbying activity as one (1)  
5 of his or her main purposes regarding a substantial issue, including  
6 associations, coalitions, or public interest entities formed for the purpose of  
7 promoting or otherwise influencing executive agency decisions~~[on a~~  
8 ~~substantial basis]~~. The term "executive agency lobbyist" shall also include  
9 placement agents and unregulated placement agents.

10 (b) "Executive agency lobbyist" does not include an elected or appointed officer  
11 or employee of a federal or state agency, state college, state university, or  
12 political subdivision who attempts to influence or affect executive agency  
13 decisions in his or her fiduciary capacity as a representative of his or her  
14 agency, college, university, or political subdivision;

15 (9) (a) "Executive agency lobbying activity" means contacts made to promote,  
16 advocate, or oppose the passage, modification, defeat, or executive approval  
17 or veto of any legislation or otherwise influence the outcome of an executive  
18 agency decision by direct communication with an elected executive official,  
19 the secretary of any cabinet listed in KRS 12.250, any executive agency  
20 official whether in the classified service or not, or a member of the staff of  
21 any one of the officials listed in this paragraph.

22 (b) "Executive agency lobbying activity" does not include any of the following:

23 1. The action of any person having a direct interest in executive agency  
24 decisions, if the person acting under Section 1 of the Kentucky  
25 Constitution, assembles together with other persons for their common  
26 good, petitions any person listed in paragraph (a) of this subsection for  
27 the redress of grievances or other proper purposes;

- 1           2.    Contacts made for the sole purpose of gathering information contained  
2                    in a public record;~~[-or]~~
- 3           3.    Appearances before public meetings of executive agencies;
- 4           **4.    News, editorial, and advertising statements published in newspapers,**  
5                   **journals, or magazines, or broadcast over radio or television;**
- 6           **5.    The gathering and furnishing of information and news by bona fide**  
7                   **reporters, correspondents, or news bureaus to news media described in**  
8                   **subparagraph 4. of this paragraph;**
- 9           **6.    Publications primarily designed for, and distributed to, members of**  
10                   **bona fide associations or charitable or fraternal nonprofit**  
11                   **corporations; or**
- 12           **7.    Professional services in preparing executive agency decisions,**  
13                   **preparing arguments regarding executive agency decisions, or in**  
14                   **advising clients and rendering opinions regarding proposed or**  
15                   **pending executive agency decisions, if the services are not otherwise**  
16                   **connected to lobbying;**
- 17    (10) "Executive agency official" means an officer or employee of an executive agency  
18            whose principal duties are to formulate policy or to participate directly or indirectly  
19            in the preparation, review, or award of contracts, grants, leases, or other financial  
20            arrangements with an executive agency;
- 21    (11) "Aggrieved party" means a party entitled to resort to a remedy;
- 22    (12) "Elected executive official" means the Governor, Lieutenant Governor, Secretary of  
23            State, Auditor of Public Accounts, State Treasurer, Attorney General, and  
24            Commissioner of Agriculture;
- 25    (13) "Person" means an individual, proprietorship, firm, partnership, limited partnership,  
26            joint venture, joint stock company, syndicate, business or statutory trust, donative  
27            trust, estate, company, corporation, limited liability company, association, club,

1 committee, organization, or group of persons acting in concert;

2 (14) "Staff" means any employee of the office of the Governor, or a cabinet listed in  
3 KRS 12.250, whose official duties are to formulate policy and who exercises  
4 administrative or supervisory authority, or who authorizes the expenditure of state  
5 funds;

6 (15) "Real party in interest" means the person or entity on whose behalf an executive  
7 agency lobbyist is acting, if that person or entity is not the employer of the executive  
8 agency lobbyist;

9 (16) "Substantial issue~~[basis]~~" means contacts which are intended to influence a decision  
10 that involves one or more disbursements of state funds in an amount of at least five  
11 thousand dollars (\$5,000) per year, or any budget provision, administrative  
12 regulation or rule, legislative matter or other public policy matter that impacts the  
13 executive agency lobbyist or his or her employer;

14 (17) "Placement agent" means an individual or firm who is compensated or hired by an  
15 employer or other real party in interest for the purpose of influencing an executive  
16 agency decision regarding the investment of the Kentucky Retirement Systems or  
17 the Kentucky Teachers' Retirement System assets; and

18 (18) "Unregulated placement agent" means a placement agent who is prohibited by  
19 federal securities laws and regulations promulgated thereunder from receiving  
20 compensation for soliciting a government agency.

21 ➔Section 6. KRS 11A.211 is amended to read as follows:

22 (1) Each executive agency lobbyist, employer, and real party in interest shall file with  
23 the commission within ten (10) days following the engagement of an executive  
24 agency lobbyist, an initial registration statement showing all of the following:

- 25 (a) The name, business address, and occupation of the executive agency lobbyist;
- 26 (b) The name and business address of the employer and of any real party in  
27 interest on whose behalf the executive agency lobbyist is acting, if it is

1 different from the employer. However, if a trade association or other  
2 charitable or fraternal organization that is exempt from federal income  
3 taxation under Section 501(c) of the Internal Revenue Code is the employer,  
4 the statement need not list the names and addresses of every member of the  
5 association or organization, so long as the association or organization itself is  
6 listed;

7 (c) A brief description of the executive agency decision to which the engagement  
8 relates;

9 (d) The name of the executive agency or agencies to which the engagement  
10 relates; ~~and~~

11 (e) Certification by the employer and executive agency lobbyist that the  
12 information contained in the registration statement is complete and accurate;

13 **(f) Compensation paid to each executive agency lobbyist by each employer; and**

14 **(g) Certification that the employer and agent have complied with KRS 11A.236.**

15 (2) In addition to the initial registration statement required by subsection (1) of this  
16 section, each executive agency lobbyist, employer, and real party in interest shall  
17 file with the commission, not later than the last day of July of each year, an updated  
18 registration statement that confirms the continuing existence of each engagement  
19 described in an initial registration statement, ~~and~~ that lists the specific executive  
20 agency decisions the executive agency lobbyist sought to influence under the  
21 engagement during the period covered by the updated statement, **and the**  
22 **compensation paid to each executive agency lobbyist by each employer**, and with  
23 it any statement of expenditures required to be filed by KRS 11A.216 and any  
24 details of financial transaction required to be filed by KRS 11A.221.

25 (3) If an executive agency lobbyist is engaged by more than one (1) employer, the  
26 executive agency lobbyist shall file a separate initial and updated registration  
27 statement for each engagement **and list compensation paid to the executive agency**



- 1        **lobbyist by each employer.** If an employer engages more than one (1) executive  
2        agency lobbyist, the employer shall file only one (1) updated registration statement  
3        under subsection (2) of this section, which shall contain the information required by  
4        subsection (2) of this section regarding all executive agency lobbyists engaged by  
5        the employer.
- 6        (4) (a) A change in any information required by subsection (1)(a), (b), (c), (d), or (2)  
7                of this section shall be reflected in the next updated registration statement  
8                filed under subsection (2) of this section.
- 9        (b) Within thirty (30) days following the termination of an engagement, the  
10              executive agency lobbyist who was employed under the engagement shall file  
11              written notice of the termination with the commission.
- 12        (5) Each employer of one (1) or more executive agency lobbyists, and each real party in  
13              interest, shall pay a registration fee of five hundred dollars (\$500) upon the filing of  
14              an updated registration statement. All fees collected by the commission under the  
15              provisions of this subsection shall be deposited in the State Treasury in a trust and  
16              agency fund account to the credit of the commission. These agency funds shall be  
17              used to supplement general fund appropriations for the operations of the  
18              commission and shall not lapse. No part of the trust and agency fund account shall  
19              revert to the general funds of this state.
- 20        (6) Upon registration pursuant to this section, an executive agency lobbyist shall be  
21              issued a card annually by the commission showing the executive agency lobbyist is  
22              registered. The registration card shall be valid from the date of its issuance through  
23              the thirty-first day of July of the following year.
- 24        (7) The commission shall review each registration statement filed with the commission  
25              under this section to determine if the statement contains all of the required  
26              information. If the commission determines the registration statement does not  
27              contain all of the required information or that an executive agency lobbyist,

1 employer, or real party in interest has failed to file a registration statement, the  
2 commission shall send written notification of the deficiency by certified mail to the  
3 person who filed the registration statement or to the person who failed to file the  
4 registration statement regarding the failure. Any person so notified by the  
5 commission shall, not later than fifteen (15) days after receiving the notice, file a  
6 registration statement or an amended registration statement that includes all of the  
7 required information. If any person who receives a notice under this subsection fails  
8 to file a registration statement or an amended registration statement within the  
9 fifteen (15) day period, the commission may initiate an investigation of the person's  
10 failure to file. If the commission initiates an investigation pursuant to this section,  
11 the commission shall also notify each elected executive official and the secretary of  
12 each cabinet listed in KRS 12.250 of the pending investigation.

13 (8) In the biennial report published under KRS 11A.110(13), the commission shall, in  
14 the manner and form the commission determines, include a report containing  
15 statistical information on the registration statements filed under this section during  
16 the preceding biennium.

17 (9) If an employer who engages an executive agency lobbyist, or a real party in interest  
18 on whose behalf the executive agency lobbyist was engaged is the recipient of a  
19 contract, grant, lease, or other financial arrangement pursuant to which funds of the  
20 state or of an executive agency are distributed or allocated, the executive agency or  
21 any aggrieved party may consider the failure of the real party in interest, the  
22 employer, or the executive agency lobbyist to comply with this section as a breach  
23 of a material condition of the contract, grant, lease, or other financial arrangement.

24 (10) Executive agency officials may require certification from any person seeking the  
25 award of a contract, grant, lease, or financial arrangement that the person, his or her  
26 employer, and any real party in interest are in compliance with this section.

27 ➔Section 7. KRS 11A.236 is amended to read as follows:

- 1 (1) Except as provided in subsection (2) of this section, no person shall engage any  
2 persons to influence executive agency decisions or conduct executive agency  
3 lobbying activity for compensation that is contingent in any way on the outcome of  
4 an executive agency decision, including payment based on the awarding of a  
5 contract or payment of a percentage of a government contract awarded, and no  
6 person shall accept any engagement to influence executive agency decisions or  
7 conduct executive agency lobbying activity for compensation that is contingent in  
8 any way on the outcome of an executive agency decision, including payment based  
9 on the awarding of a contract or payment of a percentage of a government  
10 contract awarded. An employer who pays an executive agency lobbyist based on  
11 the awarding of a contract or payment of a percentage of a government contract  
12 awarded shall be barred from doing business with the Commonwealth for a  
13 period of five (5) years from the date on which such a payment is revealed to the  
14 Executive Branch Ethics Commission.
- 15 (2) Subsection (1) of this section does not prohibit, and shall not be construed to  
16 prohibit:
- 17 (a) Any person from compensating his or her sales employees pursuant to an  
18 incentive compensation plan, such as commission sales, if the incentive  
19 compensation plan is the same plan used to compensate similarly situated  
20 sales employees who are not executive agency lobbyists; or
- 21 (b) Any person from engaging a placement agent to influence investment  
22 decisions of the Kentucky Retirement Systems and the Kentucky Teachers'  
23 Retirement System for compensation that is contingent on the outcome of  
24 investment decisions by the retirement systems' boards of trustees. The  
25 provisions of this paragraph shall not apply to unregulated placement agents.