

1 AN ACT relating to governmental ethics.

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

3 ➔SECTION 1. A NEW SECTION OF KRS 6.601 TO 6.849 IS CREATED TO
4 READ AS FOLLOWS:

5 *If a provision of KRS 6.601 to 6.849 is designated as a misdemeanor or a felony, an*
6 *alleged violation of the provision may be adjudicated by the commission as ethical*
7 *misconduct.*

8 ➔Section 2. KRS 6.686 is amended to read as follows:

- 9 (1) (a) The commission shall have jurisdiction to investigate and proceed as to any
10 violation of this code upon the filing of a complaint. The complaint shall be a
11 written statement alleging a violation against one (1) or more named persons
12 and stating the essential facts constituting the violation charged. The
13 complaint shall be made under oath and signed by the complaining party
14 before a person who is legally empowered to administer oaths. The
15 commission shall have no jurisdiction in *the* absence of a complaint. A
16 member of the commission may file a complaint.
- 17 (b) Within ten (10) days of the filing of a complaint, the commission shall cause a
18 copy of the complaint to be served by certified mail upon the person alleged to
19 have committed the violation.
- 20 (c) Within twenty (20) days of service of the complaint the person alleged to have
21 committed the violation may file an answer with the commission. The filing
22 of an answer is wholly permissive, and no inferences shall be drawn from the
23 failure to file an answer.
- 24 (d) Not later than ten (10) days after the commission receives the answer, or the
25 time expires for the filing of an answer, the commission shall initiate a
26 preliminary inquiry into any alleged violation of this code. If the commission
27 determines *upon the affirmative vote of at least five (5) members, at either a*

1 regularly scheduled meeting, or a teleconference meeting called upon the
2 chair's oral or written notice to all members of the commission, that the
3 complaint fails to state a claim of an ethics violation, the complaint shall be
4 dismissed.

5 (e) Within thirty (30) days of the commencement of the inquiry, the commission
6 shall give notice of the status of the complaint and a general statement of the
7 applicable law to the person alleged to have committed a violation.

8 (f) A complaint may be filed against a former legislator, a former legislative
9 agent, or a former employer of a legislative agent within one (1) year of the
10 date he or she left office or terminated lobbying registration. The one (1)
11 year limitation shall not apply if a complaint alleges a violation of KRS
12 6.757.

13 (g) The applicable criminal statutes of limitation shall not apply to ethical
14 misconduct under KRS 6.601 to 6.849.

15 (2) All commission proceedings, including the complaint and answer and other records
16 relating to a preliminary inquiry, shall be confidential until a final determination is
17 made by the commission, except:

18 (a) The commission may turn over to the Attorney General, the United States
19 Attorney, Commonwealth's attorney, or county attorney of the jurisdiction in
20 which the offense allegedly occurred, evidence which may be used in criminal
21 proceedings; and

22 (b) If the complainant or alleged violator publicly discloses the existence of a
23 preliminary inquiry, the commission may publicly confirm the existence of the
24 inquiry and, in its discretion, make public any documents which were issued
25 to either party.

26 (3) The commission shall afford a person who is the subject of a preliminary inquiry an
27 opportunity to appear in response to the allegations in the complaint. The person

1 shall have the right to be represented by counsel, to appear and be heard under oath,
2 and to offer evidence in response to the allegations in the complaint.

3 (4) If the commission determines by the answer or in the preliminary inquiry that the
4 complaint does not allege facts sufficient to constitute a violation of this code, the
5 commission shall immediately terminate the matter and notify in writing the
6 complainant and the person alleged to have committed a violation. The commission
7 may confidentially inform the alleged violator of potential violations and provide
8 information to ensure future compliance with the law. If the alleged violator
9 publicly discloses the existence of such action by the commission, the commission
10 may confirm the existence of the action and, in its discretion, make public any
11 documents that were issued to the alleged violator.

12 (5) If the commission, during the course of the preliminary inquiry, finds probable
13 cause to believe that a violation of this code has occurred, the commission shall
14 notify the alleged violator of the finding, and the commission may, upon majority
15 vote:

16 (a) Due to mitigating circumstances such as lack of significant economic
17 advantage or gain by the alleged violator, lack of significant economic loss to
18 the state, or lack of significant impact on public confidence in government,
19 confidentially reprimand, in writing, the alleged violator for potential
20 violations of the law and provide a copy of the reprimand to the presiding
21 officer of the house in which the alleged violator serves, or the alleged
22 violator's employer, if the alleged violator is a legislative agent. The
23 proceedings leading to a confidential reprimand and the reprimand itself shall
24 remain confidential except that, if the alleged violator publicly discloses the
25 existence of such an action, the commission may confirm the existence of the
26 action and, in its discretion, make public any documents which were issued to
27 the alleged violator; or

1 (b) Initiate an adjudicatory proceeding to determine whether there has been a
2 violation.

3 (6) Any person who knowingly files with the commission a false complaint of
4 misconduct on the part of any legislator or other person shall be guilty of a Class A
5 misdemeanor.

6 ➔Section 3. KRS 6.701 is amended to read as follows:

7 (1) The commission shall establish and supervise a program of ethics education and
8 training, including~~[,]~~ but not limited to:~~[,]~~

9 (a) Preparing and publishing an ethics education manual;~~[,]~~

10 (b) Designing and supervising orientation courses for new legislators;~~[,]~~ and

11 (c) Designing and supervising current issues seminars for legislators and
12 *employees of the legislative branch of state government.*

13 (2) The commission shall establish, supervise, and conduct a program of ethics
14 education and training designed specifically for and made available to legislative
15 agents.

16 ➔Section 4. KRS 6.711 is amended to read as follows:

17 (1) The commission shall design the general curriculum of orientation courses, which
18 shall include but not be limited to explanations and discussions of the ethics laws,
19 administrative regulations, relevant internal policies, specific technical and legal
20 requirements, summaries of advisory opinions, underlying purposes and principles
21 of ethics laws, examples of practical application of the laws and principles, and a
22 question-and-answer participatory segment regarding common problems and
23 situations. The commission shall prepare the methods and materials necessary to
24 implement the curriculum.

25 (2) The commission shall:

26 (a) Administer the orientation courses for legislators;

27 (b) Designate instructors to conduct their courses who shall be trained by the

1 commission; and

2 (c) Notify legislators regarding attendance in these courses.

3 (3) The orientation courses shall be conducted for new legislators in December of each
4 even-numbered year. Each course shall be at least two (2) hours in length and shall
5 be designed for approval by the Kentucky Bar Association for continuing legal
6 education[~~ethics~~] credits which the bar association may require.

7 (4) To facilitate participant interaction, those portions of the courses dedicated to group
8 participation may be closed to the public.

9 (5) Each legislator shall complete the initial orientation course offered under this
10 section. Each legislator elected after the initial orientation course shall complete the
11 next orientation course conducted. The commission may grant permission for a
12 legislator to attend a later course for good cause shown.

13 ➔Section 5. KRS 6.716 is amended to read as follows:

14 (1) The commission shall design the general curriculum of a current issues seminar,
15 which shall include, but not be limited to, discussion of changes in the ethics laws
16 and administrative regulations, new advisory opinions, current ethical issues
17 confronting public servants, practical application of ethics laws and principles to
18 specific issues and situations, and development of problem-solving skills. The
19 commission shall prepare the methods and materials necessary to implement the
20 curriculum.

21 (2) The commission shall:

22 (a) Administer the current issues seminars for legislators and training for
23 employees of the legislative branch of state government;

24 (b) Designate instructors to conduct their current issues courses who shall be
25 trained by the commission; and

26 (c) Notify legislators regarding attendance in these seminars.

27 (3) The current issues seminars for legislators shall be conducted in January of each

1 year. Each course shall be at least two (2)~~three (3)~~ hours in length and shall be
2 designed for approval by the Kentucky Bar Association for continuing legal
3 education ethics credits which the bar association may require.

4 (4) To facilitate participant interaction, those portions of the seminars dedicated to
5 group participation may be closed to the public.

6 (5) Each legislator, after completion of an orientation training course, shall complete
7 one (1) current issues seminar annually.

8 ➔Section 6. KRS 7.101 is amended to read as follows:

9 The Legislative Research Commission shall require all members of the General Assembly
10 to attend a sexual and workplace harassment training course to be held at the beginning of
11 each session of the General Assembly. *The Legislative Research Commission shall*
12 *coordinate the development and presentation of the training course, with assistance of*
13 *the Legislative Ethics Commission.*

14 ➔Section 7. KRS 11A.010 is amended to read as follows:

15 As used in this chapter, unless the context otherwise requires:

16 (1) "Business" means any corporation, limited liability company, partnership, limited
17 partnership, sole proprietorship, firm, enterprise, franchise, association,
18 organization, self-employed individual, holding company, joint stock company,
19 receivership, trust, or any legal entity through which business is conducted, whether
20 or not for profit;

21 (2) "Commission" means the Executive Branch Ethics Commission;

22 (3) "Compensation" means any money, thing of value, or economic benefit conferred
23 on, or received by, any person in return for services rendered, or to be rendered, by
24 himself or another;

25 (4) "Family" means spouse and children, as well as a person who is related to a public
26 servant as any of the following, whether by blood or adoption: parent, brother,
27 sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-

1 in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter,
2 stepbrother, stepsister, half brother, half sister;

3 (5) "Gift" means a payment, loan, subscription, advance, deposit of money, services, or
4 anything of value, unless consideration of equal or greater value is received; "gift"
5 does not include gifts from family members, campaign contributions, the waiver of
6 a registration fee for a presenter at a conference or training described in KRS
7 45A.097(5), or door prizes available to the public;

8 (6) "Income" means any money or thing of value received or to be received as a claim
9 on future services, whether in the form of a fee, salary, expense allowance,
10 forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other
11 form of compensation or any combination thereof;

12 (7) "Officer" means:

13 (a) All major management personnel in the executive branch of state government,
14 including the secretary of the cabinet, the Governor's chief executive officers,
15 cabinet secretaries, deputy cabinet secretaries, general counsels,
16 commissioners, deputy commissioners, executive directors, executive
17 assistants, policy advisors, special assistants, administrative coordinators,
18 executive advisors, staff assistants, and division directors;

19 (b) Members and full-time chief administrative officers of:

- 20 1. The Parole Board;
- 21 2. Kentucky Claims Commission;
- 22 3. Kentucky Retirement Systems board of trustees;
- 23 4. Kentucky Teachers' Retirement System board of trustees;
- 24 5. The Kentucky Public Employees Deferred Compensation Authority
25 board of trustees;
- 26 6. Public Service Commission;
- 27 7. Worker's Compensation Board and its administrative law judges;

- 1 8. The Kentucky Occupational Safety and Health Review Commission;
- 2 9. The Kentucky Board of Education; and
- 3 10. The Council on Postsecondary Education;
- 4 (c) Salaried members of executive branch boards and commissions; and
- 5 (d) Any person who, through a personal service contract or any other contractual
- 6 employment arrangement with an agency, performs on a full-time,
- 7 nonseasonal basis a function of any major management position listed in this
- 8 subsection;
- 9 (8) "Official duty" means any responsibility imposed on a public servant by virtue of
- 10 his or her position in the state service;
- 11 (9) "Public servant" means:
- 12 (a) The Governor;
- 13 (b) The Lieutenant Governor;
- 14 (c) The Secretary of State;
- 15 (d) The Attorney General;
- 16 (e) The Treasurer;
- 17 (f) The Commissioner of Agriculture;
- 18 (g) The Auditor of Public Accounts;
- 19 (h) All employees in the executive branch including officers as defined in
- 20 subsection (7) of this section and merit employees; and
- 21 (i) Any person who, through any contractual arrangement with an agency, is
- 22 employed to perform a function of a position within an executive branch
- 23 agency on a full-time, nonseasonal basis;
- 24 (10) "Agency" means every state office, cabinet, department, board, commission, public
- 25 corporation, or authority in the executive branch of state government. A public
- 26 servant is employed by the agency by which his or her appointing authority is
- 27 employed, unless his or her agency is attached to the appointing authority's agency

- 1 for administrative purposes only, or unless the agency's characteristics are of a
2 separate independent nature distinct from the appointing authority and it is
3 considered an agency on its own, such as an independent department;
- 4 (11) "Lobbyist" means any person employed as a legislative agent as defined in KRS
5 6.611(23) or any person employed as an executive agency lobbyist as defined in
6 KRS 11A.201~~(8)~~(9);
- 7 (12) "Lobbyist's principal" means the entity in whose behalf the lobbyist promotes,
8 opposes, or acts;
- 9 (13) "Candidate" means those persons who have officially filed candidacy papers or who
10 have been nominated by their political party pursuant to KRS 118.105, 118.115,
11 118.325, or 118.760 for any of the offices enumerated in subsections (9)(a) to (g) of
12 this section;
- 13 (14) "Does business with" or "doing business with" means contracting, entering into an
14 agreement, leasing, or otherwise exchanging services or goods with a state agency
15 in return for payment by the state, including accepting a grant, but not including
16 accepting a state entitlement fund disbursement;
- 17 (15) "Public agency" means any governmental entity;
- 18 (16) "Appointing authority" means the agency head or any person whom he or she has
19 authorized by law to act on behalf of the agency with respect to employee
20 appointments;
- 21 (17) "Represent" means to attend an agency proceeding, write a letter, or communicate
22 with an employee of an agency on behalf of someone else;
- 23 (18) "Directly involved" means to work on personally or to supervise someone who
24 works on personally;
- 25 (19) "Sporting event" means any professional or amateur sport, athletic game, contest,
26 event, or race involving machines, persons, or animals, for which admission tickets
27 are offered for sale and that is viewed by the public;

1 (20) "Person" means an individual, proprietorship, firm, partnership, limited partnership,
2 joint venture, joint stock company, syndicate, business or statutory trust, donative
3 trust, estate, company, corporation, limited liability company, association, club,
4 committee, organization, or group of persons acting in concert; and

5 (21) "Salaried" means receiving a fixed compensation or benefit reserved for full-time
6 employees, which is paid on a regular basis without regard to the actual number of
7 hours worked.

8 ➔Section 8. KRS 11A.201 is amended to read as follows:

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

10 (1) "Compensation" means any money, thing of value, or economic benefit conferred
11 on, or received by, any person in return for services rendered, or to be rendered, by
12 himself or another;

13 (2) (a) "Expenditure" means any of the following that is made to, or for the benefit of
14 an elected executive official, the secretary of a cabinet listed in KRS 12.250,
15 an executive agency official, or a member of the staff of any of the officials
16 listed in this paragraph:

- 17 1. A payment, distribution, loan, advance, deposit, reimbursement, or gift
18 of money, real estate, or anything of value, including, but not limited to,
19 food and beverages, entertainment, lodging, transportation, or honoraria;
- 20 2. A contract, promise, or agreement to make an expenditure; or
- 21 3. The purchase, sale, or gift of services or any other thing of value.

22 (b) "Expenditure" does not include a contribution, gift, or grant to a foundation or
23 other charitable organization that is exempt from federal income taxation
24 under Section 501(c)(3) of the Internal Revenue Code. "Expenditure" does not
25 include the purchase, sale, or gift of services or any other thing of value that is
26 available to the general public on the same terms as it is available to the
27 persons listed in this subsection. "Expenditure" does not include a payment,

1 contribution, gift, purchase, or any other thing of value that is made to or on
2 behalf of any elected executive official, the secretary of a cabinet listed in
3 KRS 12.250, an executive agency official, or any member of the staff of any
4 of the officials listed in this paragraph who works for a state agency for which
5 the executive agency lobbyist is not registered to influence;

6 (3) "Employer" means any person who engages an executive agency lobbyist;

7 (4) "Engage" means to make any arrangement, and "engagement" means arrangement,
8 whereby an individual is employed or retained for compensation to act for or on
9 behalf of an employer to influence executive agency decisions or to conduct any
10 executive agency lobbying activity;

11 (5) **"Financial impact" means to have an effect on the financial position of the**
12 **employer of the executive agency lobbyist or the real party in interest whether or**
13 **not the impact is positive or negative;**

14 **(6)** (a) "Financial transaction" means a transaction or activity that is conducted or
15 undertaken for profit and arises from the joint ownership, or the ownership, or
16 part ownership in common of any real or personal property or any commercial
17 or business enterprise of whatever form or nature between the following:

- 18 1. An executive agency lobbyist, his or her employer, a real party in
19 interest, or a member of the immediate family of the executive agency
20 lobbyist, his or her employer, or a real party in interest; and
- 21 2. Any elected executive official, the secretary of a cabinet listed in KRS
22 12.250, an executive agency official, or any member of the staff of any
23 of the officials listed in this subparagraph.

24 (b) "Financial transaction" does not include any transaction or activity described
25 in paragraph (a) of this subsection if it is available to the general public on the
26 same terms;

27 ~~(7)~~ "Executive agency" means the office of an elected executive official, a cabinet

1 listed in KRS 12.250, or any other state agency, department, board, or commission
2 controlled or directed by an elected executive official or otherwise subject to his or
3 her authority. "Executive agency" does not include any court or the General
4 Assembly;

5 ~~(8)~~~~(7)~~ "Executive agency decision" means a decision of an executive agency
6 regarding the expenditure of funds of the state or of an executive agency with
7 respect to the award of a contract, grant, lease, or other financial arrangement under
8 which those funds are distributed or allocated. This shall also include decisions
9 made concerning:

- 10 (a) The parameters of requests for information, ~~and~~ requests for proposals, and
11 other forms of solicitation in KRS Chapter 45A or 176;
12 (b) Drafting, adopting, or implementing a budget provision;
13 (c) Administrative regulations or rules;
14 (d) An executive order; or
15 (e) Legislation or amendments thereto; ~~or~~
16 ~~(f) Other public policy decisions;~~

17 ~~(9)~~~~(8)~~ (a) "Executive agency lobbyist" means any person engaged to influence
18 executive agency decisions or to conduct executive agency lobbying activity
19 as one (1) of his or her main purposes regarding a substantial issue, including
20 associations, coalitions, or public interest entities formed for the purpose of
21 promoting or otherwise influencing executive agency decisions. The term
22 "executive agency lobbyist" shall also include placement agents and
23 unregulated placement agents.

24 (b) "Executive agency lobbyist" does not include an elected or appointed officer
25 or employee of a federal or state agency, state college, state university, or
26 political subdivision who attempts to influence or affect executive agency
27 decisions in his or her fiduciary capacity as a representative of his or her

1 agency, college, university, or political subdivision;

2 ~~(10)~~~~(9)~~ (a) "Executive agency lobbying activity" means contacts made to promote,
3 advocate, or oppose the passage, modification, defeat, or executive approval
4 or veto of any legislation or otherwise influence the outcome of an executive
5 agency decision by direct communication with an elected executive official,
6 the secretary of any cabinet listed in KRS 12.250, any executive agency
7 official whether in the classified service or not, or a member of the staff of any
8 one of the officials listed in this paragraph.

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

- 10 1. The action of any person having a direct interest in executive agency
11 decisions, if the person acting under Section 1 of the Kentucky
12 Constitution, assembles together with other persons for their common
13 good, petitions any person listed in paragraph (a) of this subsection for
14 the redress of grievances or other proper purposes;
- 15 2. Contacts made for the sole purpose of gathering information contained
16 in a public record;
- 17 3. Appearances before public meetings of executive agencies;
- 18 4. News, editorial, and advertising statements published in newspapers,
19 journals, or magazines, or broadcast over radio or television;
- 20 5. The gathering and furnishing of information and news by bona fide
21 reporters, correspondents, or news bureaus to news media described in
22 subparagraph 4. of this paragraph;
- 23 6. Publications primarily designed for, and distributed to, members of bona
24 fide associations or charitable or fraternal nonprofit corporations;
- 25 7. Professional services in preparing executive agency decisions, preparing
26 arguments regarding executive agency decisions, or in advising clients
27 and rendering opinions regarding proposed or pending executive agency

1 decisions, if the services are not otherwise connected to lobbying; or

2 8. Public comments submitted to an executive agency during the public
3 comment period on administrative regulations or rules;

4 ~~(11)~~~~[(10)]~~ "Executive agency official" means an officer or employee of an executive
5 agency whose principal duties are to formulate policy or to participate directly or
6 indirectly in the preparation, review, or award of contracts, grants, leases, or other
7 financial arrangements with an executive agency;

8 ~~(12)~~~~[(11)]~~ "Aggrieved party" means a party entitled to resort to a remedy;

9 ~~(13)~~~~[(12)]~~ "Elected executive official" means the Governor, Lieutenant Governor,
10 Secretary of State, Auditor of Public Accounts, State Treasurer, Attorney General,
11 and Commissioner of Agriculture;

12 ~~(14)~~~~[(13)]~~ "Person" means an individual, proprietorship, firm, partnership, limited
13 partnership, joint venture, joint stock company, syndicate, business or statutory
14 trust, donative trust, estate, company, corporation, limited liability company,
15 association, club, committee, organization, or group of persons acting in concert;

16 ~~(15)~~~~[(14)]~~ "Staff" means any employee of the office of the Governor, or a cabinet listed
17 in KRS 12.250, whose official duties are to formulate policy and who exercises
18 administrative or supervisory authority, or who authorizes the expenditure of state
19 funds;

20 ~~(16)~~~~[(15)]~~ "Real party in interest" means the person or entity on whose behalf an
21 executive agency lobbyist is acting, if that person or entity is not the employer of the
22 executive agency lobbyist;

23 ~~(17)~~~~[(16)]~~ "Substantial issue" means contacts which are intended to influence a decision
24 that involves one or more disbursements of state funds in an amount of at least five
25 thousand dollars (\$5,000) per year, or any budget provision, administrative
26 regulation or rule, or legislative matter~~[, or other public policy matter]~~ that
27 financially impacts the executive agency lobbyist or his or her employer;

1 ~~(18)~~~~(17)~~ "Placement agent" means an individual or firm who is compensated or hired
2 by an employer or other real party in interest for the purpose of influencing an
3 executive agency decision regarding the investment of the Kentucky Retirement
4 Systems or the Kentucky Teachers' Retirement System assets; and

5 ~~(19)~~~~(18)~~ "Unregulated placement agent" means a placement agent who is prohibited by
6 federal securities laws and regulations promulgated thereunder from receiving
7 compensation for soliciting a government agency.

8 ➔Section 9. KRS 11A.211 is amended to read as follows:

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

- 12 (a) The name, business address, and occupation of the executive agency lobbyist;
13 (b) The name and business address of the employer and of any real party in
14 interest on whose behalf the executive agency lobbyist is acting, if it is
15 different from the employer. However, if a trade association or other
16 charitable or fraternal organization that is exempt from federal income
17 taxation under Section 501(c) of the Internal Revenue Code is the employer,
18 the statement need not list the names and addresses of every member of the
19 association or organization, so long as the association or organization itself is
20 listed;
21 (c) A brief description of the executive agency decision to which the engagement
22 relates;
23 (d) The name of the executive agency or agencies to which the engagement
24 relates;
25 (e) Certification by the employer and executive agency lobbyist that the
26 information contained in the registration statement is complete and accurate;
27 (f) Compensation paid to, or received by, each executive agency lobbyist, ~~by~~

1 each} employer, **and real party in interest as part of the engagement**; and

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

3 (2) In addition to the initial registration statement required by subsection (1) of this
4 section, each executive agency lobbyist, employer, and real party in interest shall
5 file with the commission, not later than the last day of July of each year, an updated
6 registration statement that confirms the continuing existence of each engagement
7 described in an initial registration statement, that lists the specific executive agency
8 decisions the executive agency lobbyist sought to influence under the engagement
9 during the period covered by the updated statement, and the compensation paid to,
10 **or received by**, each executive agency lobbyist, ~~by each~~ employer, and **real party**
11 **in interest as part of the engagement, and** with it any statement of expenditures
12 required to be filed by KRS 11A.216 and any details of financial transaction
13 required to be filed by KRS 11A.221.

14 **(3) Compensation paid under subsection (1)(f) of this section shall be reported after**
15 **it is received by, or paid to, each executive agency lobbyist, employer, and real**
16 **party in interest as determined by the terms of the engagement, and shall be listed**
17 **by the amount paid or received, the intervals on which the payment is paid or**
18 **received, and shall include any other compensation received or paid as part of the**
19 **engagement.**

20 ~~(4)~~⁽³⁾ If an executive agency lobbyist is engaged by more than one (1) employer, the
21 executive agency lobbyist shall file a separate initial and updated registration
22 statement for each engagement and list compensation paid to, **or received by each**~~by~~
23 ~~the~~ executive agency lobbyist, ~~by each~~ employer, **and real party in interest as**
24 **part of the engagement.** If an employer engages more than one (1) executive
25 agency lobbyist, the employer shall file only one (1) updated registration statement
26 under subsection (2) of this section, which shall contain the information required by
27 subsection (2) of this section regarding all executive agency lobbyists engaged by

1 the employer.

2 ~~(5)~~~~(4)~~ (a) A change in any information required by subsection (1)(a), (b), (c), (d),
3 or (2) of this section shall be reflected in the next updated registration
4 statement filed under subsection (2) of this section.

5 (b) Within thirty (30) days following the termination of an engagement, the
6 executive agency lobbyist who was employed under the engagement shall file
7 written notice of the termination with the commission.

8 ~~(6)~~~~(5)~~ Each employer of one (1) or more executive agency lobbyists, and each real
9 party in interest, shall pay a registration fee of five hundred dollars (\$500) upon the
10 filing of an updated registration statement. All fees collected by the commission
11 under the provisions of this subsection shall be deposited in the State Treasury in a
12 trust and agency fund account to the credit of the commission. These agency funds
13 shall be used to supplement general fund appropriations for the operations of the
14 commission and shall not lapse. No part of the trust and agency fund account shall
15 revert to the general funds of this state.

16 ~~(7)~~~~(6)~~ Upon registration pursuant to this section, an executive agency lobbyist shall
17 be issued a card annually by the commission showing the executive agency lobbyist
18 is registered. The registration card shall be valid from the date of its issuance
19 through the thirty-first day of July of the following year.

20 ~~(8)~~~~(7)~~ The commission shall review each registration statement filed with the
21 commission under this section to determine if the statement contains all of the
22 required information. If the commission determines the registration statement does
23 not contain all of the required information or that an executive agency lobbyist,
24 employer, or real party in interest has failed to file a registration statement, the
25 commission shall send written notification of the deficiency by certified mail to the
26 person who filed the registration statement or to the person who failed to file the
27 registration statement regarding the failure. Any person so notified by the

1 commission shall, not later than fifteen (15) days after receiving the notice, file a
2 registration statement or an amended registration statement that includes all of the
3 required information. If any person who receives a notice under this subsection fails
4 to file a registration statement or an amended registration statement within the
5 fifteen (15) day period, the commission may initiate an investigation of the person's
6 failure to file. If the commission initiates an investigation pursuant to this section,
7 the commission shall also notify each elected executive official and the secretary of
8 each cabinet listed in KRS 12.250 of the pending investigation.

9 ~~(9)~~~~(8)~~ In the biennial report published under KRS 11A.110(13), the commission
10 shall, in the manner and form the commission determines, include a report
11 containing statistical information on the registration statements filed under this
12 section during the preceding biennium.

13 ~~(10)~~~~(9)~~ If an employer who engages an executive agency lobbyist, or a real party in
14 interest on whose behalf the executive agency lobbyist was engaged is the recipient
15 of a contract, grant, lease, or other financial arrangement pursuant to which funds of
16 the state or of an executive agency are distributed or allocated, the executive agency
17 or any aggrieved party may consider the failure of the real party in interest, the
18 employer, or the executive agency lobbyist to comply with this section as a breach
19 of a material condition of the contract, grant, lease, or other financial arrangement.

20 ~~(11)~~~~(10)~~ Executive agency officials may require certification from any person seeking
21 the award of a contract, grant, lease, or financial arrangement that the person, his or
22 her employer, and any real party in interest are in compliance with this section.

23 ➔Section 10. KRS 11A.233 is amended to read as follows:

24 (1) For purposes of KRS 11A.201 to 11A.246, the term "executive agency lobbyist"
25 does not include a person acting to promote, oppose, or otherwise influence the
26 outcome of a decision of the Cabinet for Economic Development or any board or
27 authority within or attached to that cabinet relating to the issuance or award of a

1 bond, grant, lease, loan, assessment, incentive, inducement, or tax credit pursuant to
2 KRS 42.4588, 103.210, Chapter 154, or Chapter 224A, or otherwise relating to any
3 other component of an economic incentive package.

4 (2) Notwithstanding subsection (1), before any board or authority within or attached to
5 the Cabinet for Economic Development takes final action on any contract or
6 agreement by which any bond, grant, lease, loan, assessment, incentive, inducement,
7 or tax credit is awarded, the beneficiary of an economic incentive package shall file
8 with the approving board or authority a disclosure statement which shall contain:

9 (a) The identity of the beneficiary of an economic incentive package and any
10 person employed to act on its behalf in its dealings with the Cabinet for
11 Economic Development or any board or authority within or attached to that
12 cabinet regarding the matters to which the contract or agreement refers; and

13 (b) The details of any financial transaction as defined in KRS 11A.201~~(6)~~~~(5)~~(a)
14 between the beneficiary or any other person listed as an employee or agent of
15 the beneficiary as required by paragraph (a) of this subsection and any agent or
16 public servant of the Cabinet for Economic Development, any member of any
17 board or authority within or attached to that cabinet, or any other public
18 servant involved in the negotiation of the economic incentive package.

19 (3) After final action by the board or authority, the Cabinet for Economic Development
20 shall file the disclosure statement described in subsection (2) of this section with the
21 Executive Branch Ethics Commission, but the cabinet may delete information
22 identifying the beneficiary of the economic-incentive package if the cabinet believes
23 that identification would damage economic development.

24 (4) No beneficiary of an economic incentive package as referred to in this section shall
25 engage any person to influence decisions of the Cabinet for Economic Development
26 or the approving board or authority for compensation that is contingent in any way
27 on the outcome of the decisions of the cabinet or the approving board or authority

1 regarding contracts or agreements specified in subsection (2) of this section, and no
2 person shall accept any engagement to influence these decisions or conduct
3 lobbying activities related to these decisions for compensation that is contingent in
4 any way on the outcome of the decisions of the cabinet or the approving board or
5 authority regarding these contracts or agreements.

6 (5) Subsection (4) of this section does not prohibit, and shall not be construed to
7 prohibit, any person from compensating that person's sales employees pursuant to
8 any incentive compensation plan, such as commission sales, if the incentive
9 compensation plan is the same plan used to compensate similarly-situated sales
10 employees who are not engaged by the beneficiary of an economic incentive
11 package in activities and functions referred to in this section.