



KENTUCKY REGISTRY OF ELECTION FINANCE

Craig C. Dilger, Chairman
Terry Naydan, Vice-Chair
Reid Haire, Member
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John R. Steffen
Executive Director

Emily Dennis
General Counsel

MEMORANDUM

TO: All Registered Candidates and Committees

FROM: John R. Steffen, Executive Director 

DATE: May 1, 2017

RE: 2017 Senate Bill 75 - CHANGES TO CAMPAIGN FINANCE LAW

The purpose of this memorandum is to advise of changes to the Campaign Finance Law (KRS Chapter 121) due to the passage of Senate Bill 75. Enforcement of these changes will begin as of **July 1, 2017**. The Registry is in the process of updating its website, guidebooks, informational and training materials, reporting forms, and regulations; however, until such time as these materials are updated, **please refer to this memorandum for guidance in complying with changes to the law as a result of Senate Bill 75**, including the following changes:

- **Contribution Limits**

- \$2,000 per election to candidates/candidate committees/gubernatorial slates (currently \$1,000 per election), to be adjusted every other year
- \$5,000 annually to any executive committee or caucus campaign committee (currently \$2,500 annually with administrative set off for county committees)
- \$2,000 annually to permanent committees and contributing organizations (currently \$1,500 annually), to be adjusted every other year
- \$100 cash contribution per election per contributor (currently \$50)
- \$100 anonymous contribution limit per election per contributor (currently \$50), with maximum anonymous contributions capped at \$2,000 (currently \$1,000)
- No aggregate limits for contributions from permanent committees, executive committees, and caucus campaign committees (currently \$10,000 or 50%)

Memorandum to All Registered Candidates and Committees
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May 1, 2017

- Married couples permitted to make contributions for both the primary and general election held in a calendar year by a single check, so long as both spouses sign the check and the check designates the contribution amount and election for which each contribution applies
- \$200 limit for candidate funds used to attend another candidate's event (currently \$100)
- **Reporting Requirements**
 - Single Threshold of \$3,000 for campaign finance reporting (currently \$1,000)
 - Revocation of \$3,000 or less exemption to be filed with the Registry, not the Secretary of State or County Clerk
 - Campaign finance reports must be **RECEIVED (NOT postmarked)** by the Registry by the grace period deadline to be considered timely
 - Filing schedule for the primary will be **30 day pre/ 15 day pre/ 30 day post**, and filing schedule for the regular (general) election will be **60 day pre/ 30 day pre/ 15 day pre/ 30 day post** for candidates who elect to raise/spend more than \$3,000 (60 day pre is new, 32 day pre is changed to 30 day pre)
 - Annual Report Filing deadline is December 1 (with 5 day grace period)
 - Electronic campaign finance filers are no longer required to file a paper copy of the election finance statement with the Registry
 - Semi-annual reports to be filed by executive committees and caucus campaign committees for campaign fund accounts, regardless of whether an election is held in the calendar year
- **State Executive Committee Building Fund Accounts**
 - Report campaign finances on a quarterly basis
 - Permitted to receive unlimited contributions from any source(including corporations)
 - Funds may be used only for expenditures related to the purchase, construction, maintenance, renovation, and repair of the state executive committee's main headquarters facility

Attached for reference purposes is the Contribution Limits Chart which the Registry will enforce as of July 1, 2017. Also see attached Notice regarding the March 31, 2016, Opinion and Order by the United States District Court, Eastern District of Kentucky, in *Protect My Check v. Dilger, et al.*, finalized by Judgment dated July 19, 2016. The Court's Order upholds Kentucky's corporate contribution ban under the First Amendment and states that corporations, unions, and LLCs must all be treated equally for purposes of enforcing the corporate contribution ban, and permits these entities to administer a permanent committee (PAC).

**Contribution Limits per 2017 SB 75¹
(As of July 1, 2017)**

	From an Individual	From a Permanent Committee (PAC)²	From a Contributing Organization²	From a Corporation	From an Executive Committee	From a Caucus Campaign Committee
To a Candidate, Slate of Candidates, or Candidate Campaign Committee	\$2,000 per election ³ 121.150(6)	\$2,000 per election ³ 121.150(6)	\$2,000 per election ³ 121.150(6)	Prohibited 121.025 & 121.035	Unlimited	Unlimited
To a Permanent Committee (PAC) or Contributing Organization	\$2,000 per year ³ 121.150(10)	\$2,000 per year ³ 121.150(10)	\$2,000 per year ³ 121.150(10)	Prohibited 121.025 & 121.035	\$2,000 per year ³ 121.150(10)	\$2,000 per year ³ 121.150(10)
To a Political Issues Committee	Unlimited	Unlimited	Unlimited	Unlimited 121.035(3)	Unlimited	Unlimited
To any Executive Committee	\$5,000 per year 121.150(11)	\$5,000 per year 121.150(11)	\$5,000 per year 121.150(11)	Prohibited 121.025 & 121.035	Unlimited Transfer of Funds between executive committees	\$5,000 per year 121.150(11)
To a Caucus Campaign Committee	\$5,000 per year 121.150(11)	\$5,000 per year 121.150(11)	\$5,000 per year 121.150(11)	Prohibited 121.025 & 121.035	\$5,000 per year 121.150(11)	\$5,000 per year 121.150(11)
To an Inaugural Committee	Unlimited	Unlimited	Unlimited	Prohibited KRS 121.150(18)	Unlimited	Unlimited
To an Unauthorized Campaign Committee	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
To an Executive Committee Building Fund Account	Unlimited	Unlimited	Unlimited	Unlimited 121.025, 121.035 & 121.150(18)	Unlimited	Unlimited

	To a Candidate, State, or Campaign Committee	To a Permanent Committee (PAC)	To an Issues Committee	To an Executive Committee	To a Caucus Campaign Committee	To an Inaugural Committee	To an Unauthorized Campaign Committee
Cash⁴ Contributions	\$100 per election 121.150(4)	\$100 per election 121.150(4)	\$100 per election 121.150(4)	\$100 per election 121.150(4)	\$100 per election 121.150(4)	\$100 per election 121.150(4)	\$100 per election 121.150(4)
Anonymous Contributions	\$100 per election (Maximum aggregate \$2,000 per election) 121.150(3)	\$100 per election (Maximum aggregate \$2,000 per election) 121.150(3)	\$100 per election (Maximum aggregate \$2,000 per election) 121.150(3)	\$100 per election (Maximum aggregate \$2,000 per election) 121.150(3)	\$100 per election (Maximum aggregate \$2,000 per election) 121.150(3)	\$100 per election (Maximum aggregate \$2,000 per election) 121.150(3)	\$100 per election (Maximum aggregate \$2,000 per election) 121.150(3)

Contribution Limits

- 1 In-kind and monetary contributions both count toward the “per election” and the “per year” contribution limits.
- 2 Contributing Organizations or PACs affiliated by bylaw structure or by registration, as determined by the Registry, shall be considered as one (1) committee for purposes of applying contribution limits. **KRS 121.150(7)**
- 3 Limits will be indexed for inflation every odd-numbered year using the preceding year’s percent increase in the non-seasonally adjusted annual average Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average, All Items, as published by the United States Bureau of Labor Statistics and rounded to the nearest hundred dollars.
- 4 Contributions by cashier's check or money order are limited to one hundred dollars (\$100) per election, unless the instrument identifies both the payor and the payee. If the cashier's check or money order identifies both the payor and the payee, the instrument is considered a contribution by check. **KRS 121.150(4)**



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NOTICE

On March 31, 2016, the United States District Court for the Eastern District of Kentucky ordered, effective immediately, that the Kentucky Registry of Election Finance may no longer enforce the corporate contribution ban in a manner that results in unequal treatment of corporations, unions, and LLCs. In addition, the Court ordered that corporations, LLCs, and unions are entitled to equal treatment in the exercise of a PAC option, including state PACs. *Protect My Check v. Dilger, et al.*, C.A. # 3:15-42-GFVT. A Judgment issued by the Court on July 19, 2016, made the March ruling permanent. Based on the Court's ruling, the Registry will enforce the law as follows:

- All corporations, LLCs, and unions are to be treated equally under Kentucky's campaign finance law;
- Under Kentucky's campaign finance law, "corporation" means any corporation, company, partnership, joint stock company, or association;
- Corporations may sponsor and administer a state Permanent Committee (PAC) and pay the state PAC's administrative expenses from corporate funds;
- Corporations remain prohibited from making contributions directly to candidates, slates of candidates, or committees, but may sponsor and administer a state PAC, and pay the state PAC's administrative expenses from corporate funds;
- Unions and LLCs may sponsor and administer a state PAC and pay the state PAC's administrative expenses from union or LLC funds; and
- Unions and LLCs are prohibited from making contributions directly to candidates, slates of candidates, or committees, but may sponsor and administer a state PAC, and pay the state PAC's administrative expenses from union or LLC funds.

Please contact the Registry's General Counsel, Emily Dennis, at 502-573-2226, if you have questions regarding candidate contribution limits or this notice.

Dated: April 22, 2016, revised July 21, 2016.