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MEMORANDUM

TO: Leslie M. Saunders, General Counsel, Kentucky Registry of Election Finance

FROM: Ange Darnell, Regulations Compiler

RE: Proposed Amendment or New Regulation – 032 KAR 002:050; 032 KAR 002:200 & 032 KAR 2:240.

DATE: June 10, 2026

A copy of the administrative regulation listed above is enclosed for your files. This regulation is **tentatively** scheduled for review by the Administrative Regulation Review Subcommittee at its **SEPTEMBER 2026** meeting. We will notify you of the date and time of this meeting once it has been scheduled.

Pursuant to KRS 13A.280, **if** comments are received during the public comment period, a Statement of Consideration or a one-month extension request for this regulation is due **by noon on September 15, 2026**. Please reference KRS 13A.270 and 13A.280 for other requirements relating to the public hearing and public comment period and Statements of Consideration.

If you have questions, please contact us at RegsCompiler@LRC.ky.gov or (502) 564-8100.

Enclosures

JUN 10 2026

Ange Darnell

REGULATIONS COMPILER

1 GENERAL GOVERNMENT CABINET

2 Kentucky Registry of Election Finance

3 (Amendment)

4 32 KAR 2:050. Conciliation.

5 RELATES TO: KRS 121.140

6 STATUTORY AUTHORITY: KRS 121.120(1)(g)

7 CERTIFICATION STATEMENT: This certifies that this administrative regulation
8 complies with the requirements of 2025 RS HB 6, Section 8.

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 121.120(1)(g) authorizes the
10 Registry of Election Finance to promulgate administrative regulations necessary to carry out the
11 provisions of KRS Chapter 121. This administrative regulation establishes conciliation procedures.

12 Section 1. Negotiations.

13 (1) Upon a registry finding of probable cause, the general counsel and executive director
14 shall attempt to correct or prevent the violation by informal methods of conference, conciliation,
15 and persuasion and shall attempt to reach a tentative conciliation agreement with the respondent.

16 (2) During conciliation negotiations, the general counsel and executive director shall
17 consider as a mitigating factor the attendance by a candidate or treasurer at one (1) or more training
18 sessions sponsored by the registry, directly preceding the election during which the violation
19 occurred. Based upon this and any other mitigating factors, the general counsel and executive
20 director may reduce a fine, if proposed by the registry.


1 (3) A conciliation agreement shall not be binding upon either party until it is signed by the
2 respondent, the general counsel, and the executive director and approved by the registry.

3 (4) If the probable cause to believe finding is made within forty-five (45) days preceding
4 an election, the conciliation attempt shall continue for at least fifteen (15) days from the date of
5 the finding. In all other cases, conciliation attempts by the registry shall continue for at least thirty
6 (30) days, not to exceed ninety (90) days.

7 (5) If a conciliation agreement is reached between the registry and the respondent, the general
8 counsel shall send a copy of the signed agreement to both complainant and respondent.

32 KAR 2:050

6/10/26
Date



John R. Steffen, Executive Director
Registry of Election Finance

PUBLIC HEARING AND PUBLIC COMMENT INFORMATION

A public hearing on this administrative regulation shall be held on August 24, 2026, at 10:00AM, Eastern Time, at the Kentucky Registry of Election Finance, 140 Walnut Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2026, at 11:59PM. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance, 140 Walnut Street, Frankfort, Kentucky 40601, phone (502) 573-2226, fax (502) 573-5622, email LeslieM.Saunders@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

32 KAR 2:050

Contact Person: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance
Phone: (502) 573-2226
Email: LeslieM.Saunders@ky.gov.

Subject Headings: Election Finance, Elections and Voting, Administrative Hearings

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes Registry of Election Finance (“Registry”) conciliation procedures.

(b) The necessity of this administrative regulation:

This administrative regulation is necessary because, while KRS 121.140 contemplates a conciliation process for violators, the statute describes no procedures for doing so with any detail.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 121.120(1)(g) grants the Registry the authority to “promulgate administrative regulations necessary to carry out the provisions of this chapter[.]” This administrative regulation establishes procedures for conciliation under KRS 121.140.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation sets procedures for the conciliation process thereby assuring that the mandates of KRS 121.140 are effectively carried out.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

This amended administrative regulation inserts a previously deleted timeframe to engage in conciliation by providing that, “... conciliation attempts by the registry shall continue for at least thirty (30) days, not to exceed ninety (90) days.”

(b) The necessity of the amendment to this administrative regulation:

This amended administrative regulation is necessary as it provides a timeframe for the Registry and violators to engage in conciliation and attempt to reach an agreement without the necessity of a formal hearing.

(c) How the amendment conforms to the content of the authorizing statutes:

KRS 121.120(1)(g) authorizes the Registry to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 121. KRS 121.140 mandates that the Registry engage in conciliation with violators to resolve violations. This amended administrative regulation provides the Registry and violators with a timeframe for engaging in conciliation.

(d) How the amendment will assist in the effective administration of the statutes:

By providing a timeframe for engaging in conciliation, this amended administrative regulation provides the Registry and violators with certainty as to the length of conciliation proceedings and thereby allows them to make decisions in a more efficient manner and eliminates unnecessary delay.

(3) Does the administrative regulation or amendment implement legislation from the previous five years?

No.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

Anyone who is party to a conciliation negotiation with the Registry is affected.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment:

Regulated entities will use this regulation to navigate the conciliation process with the Registry.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):

The entities will incur no costs in complying with the regulation.

(4): (c) As a result of compliance, what benefits will accrue to the entities identified in question

Compliance will allow for the orderly resolution and closing of enforcement matters before the Registry without the need for formal hearings.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no initial cost to the administrative body to implement this administrative regulation.

(b) On a continuing basis: There will be no cost on a continuous basis to the administrative body to implement this administrative regulation.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:

While no additional funding will be required for the implementation and enforcement of this administrative regulation, the administrative body operates solely on General Funds.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

It will not be necessary to increase fees or funding to implement this administrative regulation.

(9) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:

No fees will be established or increased.

(10) TIERING: Is tiering applied? (Explain why or why not):

This administrative regulation does not apply tiering because these general provisions apply equally to any regulated individual or entity who has violated applicable statutes and regulations and seeks to enter into conciliation with the Registry.

FISCAL IMPACT STATEMENT

32 KAR 2:050

Contact Person: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance
Phone: (502) 573-2226
Email: LeslieM.Saunders@ky.gov

(1) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 121.120(1)(g) and 121.140

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and, if so, identify the act:

Yes, 1992 SB 22, (1992 Ky. Acts Ch. 288)

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:

The Kentucky Registry of Election Finance is the promulgating agency. No other state units, parts, or divisions are affected.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: This administrative regulation will not result in any additional expenditures for the first year.

For subsequent years: This administrative regulation will not result in any additional expenditures for subsequent years.

2. Revenues:

For the first year: This administrative regulation will not generate revenue for the first year. Note, however, that the conciliation process does provide a small amount of revenue to the general fund through collection of penalties.

For subsequent years: This administrative regulation will not generate revenue for subsequent years subject to the note about collection of penalties, above.

3. Cost Savings:

For the first year: This administrative regulation will not generate any cost savings for the first year.

For subsequent years: This administrative regulation will not generate any cost savings for subsequent years.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):

This amendment will not affect local entities

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: This administrative regulation will not result in any additional expenditures for the first year.

For subsequent years: This administrative regulation will not result in any additional expenditures for subsequent years.

2. Revenues:

For the first year: This administrative regulation will not generate revenue for the first year.

For subsequent years: This administrative regulation will not generate revenue for subsequent years.

3. Cost Savings:

For the first year: This administrative regulation will not generate any cost savings for the first year.

For subsequent years: This administrative regulation will not generate any cost savings for subsequent years.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):

The amendment will affect only those entities who choose to engage in the conciliation process with the Registry.

(b) Estimate the following for each regulated entity identified in (5)(a):

1.Expenditures:

For the first year: This administrative regulation will not result in any additional expenditures for the first year.

For subsequent years: This administrative regulation will not result in any additional expenditures for subsequent years.

2. Revenues:

For the first year: This administrative regulation will not generate revenue for the first year.

For subsequent years: This administrative regulation will not generate revenue for subsequent years.

3. Cost Savings:

For the first year: This administrative regulation will not generate any cost savings for the first year.

For subsequent years: This administrative regulation will not generate any cost savings for subsequent years.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a),and (5)(a):

(a) Fiscal impact of this administrative regulation:

There are no fiscal impacts as the amendment only provides a timeframe in which the Registry and violators may engage in conciliation and attempt to reach an agreement without the necessity of a formal hearing.

(b) Methodology and resources used to reach this conclusion:

A review of the criteria of the administrative regulation: the only changes do not have any fiscal impacts to any entity, including the Registry.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14):

This administrative regulation will not have a major economic impact.

(b) The methodology and resources used to reach this conclusion:

This administrative regulation has no fiscal impact thus no methodology was applied nor resource analysis undertaken to determine that there is not a “major economic impact.”

JUN 10 2026

Ange Darnell

REGULATIONS COMPILER

1 GENERAL GOVERNMENT CABINET

2 Kentucky Registry of Election Finance

3 (Amendment)

4 32 KAR 2:200. Allowable campaign expenditures.

5 RELATES TO: KRS 121.150, 121.175

6 STATUTORY AUTHORITY: KRS 121.120(1)(g), 121.175

7 CERTIFICATION STATEMENT: This certifies that this administrative regulation
8 complies with the requirements of 2025 RS HB 6, Section 8.

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 121.175[~~as amended by the~~
10 ~~General Assembly in extraordinary session in 1993,~~] requires the Registry of Election Finance to
11 promulgate administrative regulations to specifically define those expenditures that may lawfully
12 be made from a candidate's, committee's, or contributing organization's campaign account. It is
13 therefore necessary to promulgate this administrative regulation so that the agency may fulfill its
14 statutory mandate.

15 Section 1. Allowable Expenditures. In addition to the general categories of allowable
16 campaign expenditures provided by law, the following expenditures shall be considered allowable:

17 (1) Expenditures made or items donated to charitable and civic organizations such as clubs,
18 neighborhood organizations, schools, and churches, provided that the expenditure furthers a
19 candidacy through advertising;

20 (2) Expenditures for items of personal property bearing the name or likeness of the
21 candidate in a conspicuous manner for distribution by a candidate which are distributed for the

1 purpose of advertising that individual's candidacy. These items include~~[-but are not limited to,]~~
2 hats, shirts, calendars, magnets, holiday greeting cards, and similar items. The purchase of tickets
3 for general distribution for the purpose of influencing an~~[and]~~ election, either directly or indirectly,
4 shall not be allowed under the subsection;

5 (3) Reasonable expenditures for services such as distribution of campaign literature, staff
6 services, and similar services which are primarily and directly related to the individual's candidacy;

7 (4) Expenditures for the purchase of transportation services, including~~[-but not limited to]~~
8 the transportation of voters to the polls, provided that the expenditures are reasonable in light of
9 the number of persons transported, mileage driven, and time spent. All transportation expenditures
10 shall be primarily and directly related to the candidacy of the individual on whose behalf the
11 expenditures are made;

12 (5) Expenditures for tickets to political and other events to be attended by the candidate,
13 his spouse, or a campaign staff representative, and from which the candidate derives a direct
14 benefit to his candidacy. The burden shall be on the candidate to prove to the registry that
15 representation at the event provided a direct benefit to his candidacy;

16 (6) The purchase of American, state, or other flags which are donated to schools, civic, or
17 charitable organizations;

18 (7) The purchase or rental of items such as cellular telephones, copiers, computers,
19 automobiles, facsimile machines, and similar items. Only that use attributable to the campaign
20 may be paid for with campaign funds and the burden shall be on the candidate to prove that an
21 expenditure is allowable under this subsection:~~[-]~~

22 (8) The purchase of food and drink to be served at an event directly related to the candidacy
23 of the individual on whose behalf the expenditures are made;

1 (9) Expenditures made or items donated for a door prize that anyone who is attending an
2 event directly related to the candidacy of the individual has the opportunity to win; and

3 (10) Expenditures made or items donated for a silent auction-type fundraising event where
4 items are bid on independently for the purpose of raising funds to directly benefit the campaign
5 account.

6 Section 2. Unlawful Campaign Expenditures. In addition to the expenditures specifically
7 prohibited by law, the following categories of campaign expenditures shall not be considered
8 allowable expenditures from a campaign account:

9 (1) Payment of dues to professional, civic, or other organizations to which the individual
10 belongs or desires to join, unless membership in the organization provides the candidate with a
11 direct benefit to his candidacy. The burden shall be on the candidate to prove to the registry that
12 membership in the organization provided a direct benefit to his candidacy;

13 (2) Expenditures made to defray the costs associated with an individual's performance of
14 his official duties as an officeholder, except for those otherwise expressly permitted in KRS
15 121.175;[-]

16 (3) Expenditures for food and drink to be served at events unrelated to the individual's
17 candidacy;

18 (4) Expenditures for items of personal property for distribution by a candidate that do not
19 advertise nor promote that individual's candidacy; and


20 (5) Expenditures made or items donated to hold a raffle or other game of chance which
21 require a person to pay for the chance to win a prize.

22 Section 3. If the registry staff, in the course of reviewing a candidate's, committee's, or
23 contributing organization's[~~or incumbent's~~] campaign finance statements, determines that a

1 questionable expenditure has been made, whether or not the expenditure was made during an
2 election year, the burden shall be on the candidate, committee, or contributing organization~~or~~
3 ~~incumbent~~] to prove that the expenditure was directly and primarily related to a his-] candidacy.

32 KAR 2:200

6/10/26
Date



John R. Steffen, Executive Director
Registry of Election Finance

PUBLIC HEARING AND PUBLIC COMMENT INFORMATION

A public hearing on this administrative regulation shall be held on August 24, 2026, at 10:00 AM, Eastern Time, at the Kentucky Registry of Election Finance, 140 Walnut Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2026, at 11:59 PM. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance, 140 Walnut Street, Frankfort, Kentucky 40601, phone (502) 573-2226, fax (502) 573-5622, email LeslieM.Saunders@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

32 KAR 2:200

Contact Person: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance

Phone: (502) 573-2226

Email: LeslieM.Saunders@ky.gov.

Subject Headings: Election Finance, Elections and Voting, Administrative Hearings

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation helps define those expenditures that may lawfully be made from a candidate's, committee's, or contributing organization's campaign account.

(b) The necessity of this administrative regulation:

This administrative regulation is necessary because KRS 121.175(3)¹ requires the Registry of Election Finance ("Registry") to promulgate administrative regulations to implement and enforce the provisions of KRS 121.175(1), which pertains to allowable campaign expenditures.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 121.120(1)(g) grants the Registry the authority to "promulgate administrative regulations necessary to carry out the provisions of this chapter[.]" KRS 121.175(3) requires the Registry to promulgate administrative regulations to implement and enforce the provisions of KRS 121.175(1), which pertains to allowable campaign expenditures. This administrative regulation addresses allowable campaign expenditures.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation assists in implementing and enforcing the provisions of KRS 121.175(1), as required by KRS 121.175(3).

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

This amended administrative regulation addresses questions often asked of the Registry regarding additional specific campaign expenditures that were previously not addressed in the

¹ Due to the passage of 2026 HB 136 (2026 Ky. Acts Ch. 25), KRS 121.175(3) will be renumbered as KRS 121.175(4) as of July 15, 2026.

regulation. It will also correct a typo as well as specifically include all entities to which the relevant statute, KRS 121.175, pertains.

(b) The necessity of the amendment to this administrative regulation:

This amended administrative regulation is necessary as it will provide additional guidance to candidates, committees, and contributing organizations regarding allowable campaign expenditures, while making it clear that the regulation pertains to committees and contributing organizations, along with candidates, as contemplated in KRS 121.175.

(c) How the amendment conforms to the content of the authorizing statutes:

KRS 121.120(1)(g) authorizes the Registry to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 121. KRS 121.175(3) requires the Registry to promulgate administrative regulations to implement and enforce the provisions of KRS 121.175(1), which pertains to allowable campaign expenditures. This administrative regulation addresses additional allowable campaign expenditures.

(d) How the amendment will assist in the effective administration of the statutes:

By providing additional guidance to candidates, committees, and contributing organizations regarding allowable campaign expenditures, as well as making it clear to which entities the regulation pertains, consistent with KRS 121.175.

(3) Does the administrative regulation or amendment implement legislation from the previous five years?

No.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

Candidates, committees, and contributing organizations are affected by this administrative regulation.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment:

Regulated entities will use this regulation as guidance while making campaign expenditures.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):

The entities will incur no costs in complying with the regulation.

(4): (c) As a result of compliance, what benefits will accrue to the entities identified in question (4):

Compliance will allow for the proper use of funds in campaign accounts.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no initial cost to the administrative body to implement this administrative regulation.

(b) On a continuing basis: There will be no cost on a continuous basis to the administrative body to implement this administrative regulation.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:

While no additional funding will be required for the implementation and enforcement of this administrative regulation, the administrative body operates solely on General Funds.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

It will not be necessary to increase fees or funding to implement this administrative regulation.

(9) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:

No fees will be established or increased.

(10) TIERING: Is tiering applied? (Explain why or why not):

This administrative regulation does not apply tiering because these general provisions apply equally to any regulated individual or entity who has a campaign account.

FISCAL IMPACT STATEMENT

32 KAR 2:200

Contact Person: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance

Phone: (502) 573-2226

Email: LeslieM.Saunders@ky.gov

(1) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 121.120(1)(g) and 121.175

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and, if so, identify the act:

Yes, 1993 1st Ex. Sess. SB 7, (1993 1st Ex. Sess. Acts Ch. 4)

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:

The Kentucky Registry of Election Finance is the promulgating agency. No other state units, parts, or divisions are affected.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: This administrative regulation will not result in any additional expenditures by the Registry for the first year.

For subsequent years: This administrative regulation will not result in any additional expenditures by the Registry for subsequent years.

2. Revenues:

For the first year: This administrative regulation will not generate revenue for the Registry for the first year.

For subsequent years: This administrative regulation will not generate revenue for the Registry for subsequent years.

3. Cost Savings:

For the first year: This administrative regulation will not generate any cost savings for the Registry for the first year.

For subsequent years: This administrative regulation will not generate any cost savings for the Registry for subsequent years.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):

This amendment will not affect local entities

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: No local entities are affected.

For subsequent years: No local entities are affected.

2. Revenues:

For the first year: No local entities are affected.

For subsequent years: No local entities are affected.

3. Cost Savings:

For the first year: No local entities are affected.

For subsequent years: No local entities are affected.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):

The amendment will affect candidates, committees, and contributing organizations as defined in KRS 121.015.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: This administrative regulation will not result in any additional expenditures for the first year.

For subsequent years: This administrative regulation will not result in any additional expenditures for subsequent years.

2. Revenues:

For the first year: This administrative regulation will not generate revenue for the first year.

For subsequent years: This administrative regulation will not generate revenue for subsequent years.

3. Cost Savings:

For the first year: This administrative regulation will not generate any cost savings for the first year.

For subsequent years: This administrative regulation will not generate any cost savings for subsequent years.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation:

There are no fiscal impacts as the amendment only provides additional guidance regarding allowable campaign expenditures.

(b) Methodology and resources used to reach this conclusion:

A review of the criteria of the administrative regulation: the only changes do not have any fiscal impacts to any entity, including the Registry.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14):

This administrative regulation will not have a major economic impact.

(b) The methodology and resources used to reach this conclusion:

This administrative regulation has no fiscal impact thus no methodology was applied nor resource analysis undertaken to determine that there is not a “major economic impact.”

JUN 10 2026

Ange Darnell

REGULATIONS COMPILER

1 GENERAL GOVERNMENT CABINET

2 Kentucky Registry of Election Finance

3 (New Administrative Regulation)

4 32 KAR 2:240. Administrative hearing procedures.

5 RELATES TO: KRS 121.140(5)

6 STATUTORY AUTHORITY: KRS 121.120(1)(g)

7 CERTIFICATION STATEMENT: This certifies that this administrative regulation
8 complies with the requirements of 2025 RS HB 6, Section 8.

9 NECESSITY, FUNCTION, AND CONFORMITY: To determine whether there has been
10 a violation of KRS Chapter 121, KRS 121.140(5) authorizes the Registry of Election Finance to
11 initiate an administrative hearing pursuant to KRS Chapter 13B after an alleged violator declines
12 to accept a conciliation agreement or fails to respond within the time allowed. KRS 121.140(5)
13 exempts the registry from KRS 13B.030(2)(b). KRS 121.120(1)(g) requires the registry to
14 promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 121.
15 This administrative regulation establishes procedures to govern administrative hearings before the
16 registry.

17 Section 1. Definitions.

18 (1) "Executive director" means the executive director appointed by the registry pursuant to
19 KRS 121.120.

20 (2) "Initiating order" means the document issued by the registry to initiate an administrative
21 proceeding to determine whether there has been a violation as provided by KRS 121.140(5).

1 Section 2. Initiating Order.

2 (1) If the registry and the respondent fail to reach a conciliation agreement, the registry
3 shall initiate an administrative proceeding by issuing an initiating order to the alleged violator,
4 who shall be referred to as the respondent during the course of the administrative proceeding.

5 (2) The initiating order shall:

6 (a) Be served on the respondent by certified mail, return receipt requested, or
7 registered mail sent to the last known address of the respondent, or by personal service. Service by
8 certified or registered mail shall be complete upon the date on which the registry receives the return
9 receipt or the returned notice;

10 (b) Include a statement that conciliation negotiations have been extended for the
11 maximum period allowed by 32 KAR 2:050 and that the conciliation negotiations were
12 unsuccessful;

13 (c) Include a statement of the allegations contained in the original complaint or
14 notice of noncompliance;

15 (d) Include the registry's findings of fact and conclusions of law in support of a
16 finding of probable cause, or its notice of noncompliance with reporting requirements pursuant to
17 32 KAR 2:040, Section 8;

18 (e) Include all other information required by KRS 13B.050(3), except for the
19 information required in KRS 13B.050(3)(a) and (b);

20 (f) State that all material submitted to the registry by the respondent or the
21 respondent's attorney shall be addressed to the registry;

22 (g) State the deadline for submitting an answer and the ramifications of failing to
23 file an answer as provided in Section 4 of this administrative regulation; and

1 (h) State that the procedural schedule will be set by a subsequent order after the
2 designation of a hearing officer.

3 Section 3. Answer.

4 (1) The respondent shall file a written answer to the initiating order with the registry within
5 twenty (20) days of service of the initiating order.

6 (2) The answer shall be filed by the:

7 (a) Respondent, if no counsel has been retained; or

8 (b) Respondent's attorney, if counsel has been retained.

9 (3) The answer shall be signed by the respondent or by counsel for respondent.

10 (4) The executive director may grant reasonable extensions of time to file an answer at the
11 respondent's request.

12 Section 4. Default. If the respondent fails to file a timely answer, the registry may:

13 (1) Accept the failure to answer as an admission of the allegations in the initiating order;

14 (2) Find that the respondent has engaged in the alleged conduct in violation of KRS Chapter
15 121;

16 (3) Enter a final order of default against the respondent; and

17 (4) Levy the appropriate possible penalty allowed under KRS 121.140(5).

18 Section 5. Counsel.

19 (1) If a respondent has retained counsel, the attorney shall file an entry of appearance with
20 the registry.

21 (2) If a respondent has retained counsel, notices, correspondence, and orders relating to the
22 administrative proceeding shall thereafter be transmitted to the attorney instead of the respondent.

23 Section 6. Assignment of a Hearing Officer.

1 (1) If the respondent files a timely answer, then the registry shall designate a hearing
2 officer.

3 (2) The registry shall designate a roster of hearing officers as provided by KRS
4 13B.030(2)(a) and as dictated by KRS Chapter 45A.

5 (3) A person qualified to serve as a hearing officer for the registry shall:

6 (a) Maintain the qualifications required by KRS 13B.040;

7 (b) Be an attorney in good standing with the Kentucky Bar Association or otherwise
8 have approval by the Kentucky Bar Association to practice law in the Commonwealth of
9 Kentucky;

10 (c) Comply with the provisions of 32 KAR 2:080; and

11 (d) Not be a current member of the registry board or staff.

12 (4) Once the roster of hearing officers is established, the executive director shall randomly
13 assign administrative proceedings initiated by the registry pursuant to KRS 121.140(5) to a hearing
14 officer from the roster of hearing officers.

15 Section 7. Hearing Officer.

16 (1) After the hearing officer is designated by the registry, the hearing officer shall within
17 ten (10) days of the designation send notice to the parties of the date and time of the first telephonic
18 prehearing conference.

19 (2) The hearing officer shall follow the requirements of KRS Chapter 13B for the conduct
20 of administrative hearings.

21 (3) All hearings shall be held in person at a location designated by the registry.

22 Section 8. Settlement.

1 (1) At any time during the proceedings, the registry's counsel may enter into informal
2 settlement procedures pursuant to KRS 13B.070 with the respondent.

3 (2) An agreed order or settlement reached through this process shall be reviewed by the
4 registry and, upon approval by the registry, shall be signed by the registry chairman and the
5 respondent.

6 (3) The registry shall not approve a settlement that provides for the confidentiality of:

7 (a) The existence of the settlement; or

8 (b) Any of the terms of the settlement.

9 Section 9. Ex Parte Communications. Once an administrative proceeding has commenced,
10 the registry, its executive director, registry counsel, the respondent, respondent's counsel, or other
11 person acting on behalf of the respondent shall not initiate, participate in, or consider ex parte
12 communications concerning the subject matter of a hearing or a related issue of fact or law, except
13 upon notice and opportunity for all parties to participate.

14 Section 10. Record to be Maintained.

15 (1) The hearing shall be transcribed by a court stenographer or recorded by means of
16 electronic media.

17 (2) A transcript or electronic media copy of the testimony taken during the hearing shall:

18 (a) Be kept by the registry;

19 (b) Be available to the respondent upon request and payment of the appropriate fee;


20 and

21 (c) Be available to all registry board members.

22 (3) Any documents or exhibits introduced into evidence shall be kept with the transcript or
23 copy of the electronic media recording of the hearing or as ordered by the hearing officer.

32 KAR 2:240

6/10/26
Date



John R. Steffen, Executive Director
Registry of Election Finance

PUBLIC HEARING AND PUBLIC COMMENT INFORMATION

A public hearing on this administrative regulation shall be held on August 24, 2026, at 10:00 AM, Eastern Time, at the Kentucky Registry of Election Finance, 140 Walnut Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2026, at 11:59 PM. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance, 140 Walnut Street, Frankfort, Kentucky 40601, phone (502) 573-2226, fax (502) 573-5622, email LeslieM.Saunders@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

32 KAR 2:240

Contact Person: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance

Phone: (502) 573-2226

Email: LeslieM.Saunders@ky.gov.

Subject Headings: Election Finance, Elections and Voting, Administrative Hearing Procedures

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes procedures to govern administrative hearings before the Registry of Election Finance (“Registry”).

(b) The necessity of this administrative regulation:

This administrative regulation is necessary because KRS 121.140(4)¹ requires the Registry to conduct an administrative hearing if an alleged violator declines to accept a conciliation agreement or fails to respond within the time allowed.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 121.120(1)(g) grants the Registry the authority to “promulgate administrative regulations necessary to carry out the provisions of this chapter[.]” KRS 121.140(4) requires the Registry to conduct administrative hearings when necessary pursuant to the provisions of KRS Chapter 13B. This administrative regulation establishes procedures to govern those hearings.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation will assist in the administrative hearing process under KRS Chapter 13B, which is used to determine whether KRS Chapter 121 has been violated. While this administrative regulation is new, it replaces 32 KAR 2:210, which established procedural guidelines for the Registry’s prior hearing process, which was amended by 2024 HB 595 (2024 Ky. Acts Ch. 107). The provisions of KRS Chapter 13B now apply to all Registry administrative hearings.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

¹ Due to the passage of 2026 HB 139 (2026 Ky. Acts Ch. 175), KRS 121.140(4) will be renumbered as KRS 121.140(5) as of July 15, 2026.

This administrative regulation is new.

(b) The necessity of the amendment to this administrative regulation:

This administrative regulation is new.

(c) How the amendment conforms to the content of the authorizing statutes:

This administrative regulation is new.

(d) How the amendment will assist in the effective administration of the statutes:

This administrative regulation is new.

(3) Does the administrative regulation or amendment implement legislation from the previous five years?

Yes. 2024 HB 595 (2024 Ky. Acts Ch. 107).

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

Candidates, committees, and contributing organizations charged with violating KRS Chapter 121 are potentially affected by this administrative regulation.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment:

Regulated entities charged with violating KRS Chapter 121 will use this regulation as guidance during the administrative hearing process.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):

The entities will incur no additional costs in complying with the regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4):

Compliance will assist the entities with the administrative hearing process.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no initial cost to the administrative body to implement this administrative regulation.

(b) On a continuing basis: There will be no cost on a continuous basis to the administrative body to implement this administrative regulation.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:

While no additional funding will be required for the implementation and enforcement of this administrative regulation, the administrative body operates solely on General Funds.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

It will not be necessary to increase fees or funding to implement this administrative regulation.

(9) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:

No fees will be established or increased.

(10) TIERING: Is tiering applied? (Explain why or why not):

This administrative regulation does not apply tiering because these general provisions apply equally to any regulated individual or entity who is charged with violating KRS Chapter 121.

FISCAL IMPACT STATEMENT

32 KAR 2:240

Contact Person: Leslie Saunders, General Counsel, Kentucky Registry of Election Finance

Phone: (502) 573-2226

Email: LeslieM.Saunders@ky.gov

(1) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 121.120(1)(g) and 121.140

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and, if so, identify the act:

Yes, 2024 HB 595 (2024 Ky. Acts Ch. 107).

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:

The Kentucky Registry of Election Finance is the promulgating agency. No other state units, parts, or divisions are affected.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: This administrative regulation will not result in any additional expenditures by the Registry for the first year.

For subsequent years: This administrative regulation will not result in any additional expenditures by the Registry for subsequent years.

2. Revenues:

For the first year: This administrative regulation will not generate revenue for the Registry for the first year.

For subsequent years: This administrative regulation will not generate revenue for the Registry for subsequent years.

3. Cost Savings:

For the first year: This administrative regulation will not generate any cost savings for the Registry for the first year.

For subsequent years: This administrative regulation will not generate any cost savings for the Registry for subsequent years.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):

This administrative regulation will not affect local entities

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: No local entities are affected.

For subsequent years: No local entities are affected.

2. Revenues:

For the first year: No local entities are affected.

For subsequent years: No local entities are affected.

3. Cost Savings:

For the first year: No local entities are affected.

For subsequent years: No local entities are affected.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):

The administrative regulation will affect candidates, committees, and contributing organizations as defined in KRS 121.015 who are charged with violating KRS Chapter 121.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: This administrative regulation will not result in any additional expenditures for the first year.

For subsequent years: This administrative regulation will not result in any additional expenditures for subsequent years.

2. Revenues:

For the first year: This administrative regulation will not generate revenue for the first year.

For subsequent years: This administrative regulation will not generate revenue for subsequent years.

3. Cost Savings:

For the first year: This administrative regulation will not generate any cost savings for the first year.

For subsequent years: This administrative regulation will not generate any cost savings for subsequent years.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation:

There are no fiscal impacts as the regulation only establishes procedures to govern administrative hearings before the Registry.

(b) Methodology and resources used to reach this conclusion:

A review of the criteria of the administrative regulation: the regulation does not have any fiscal impacts to any entity, including the Registry.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14):

This administrative regulation will not have a major economic impact.

(b) The methodology and resources used to reach this conclusion:

This administrative regulation has no fiscal impact thus no methodology was applied nor resource analysis undertaken to determine that there is not a “major economic impact.”