

# ETHICS REPORTER

## January 2025



Kentucky Legislative Ethics Commission  
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### *Lobbying spending hits all-time high . . . again*



Kentucky lobbying spending hit an all-time high of \$28.1 million in 2024, blasting past the previous high of \$25.5 million set in 2023.

The record spending was a nine percent increase over the previous year, and was driven by 891 lobbying businesses and organizations. In 2024, 694 legislative agents (lobbyists) were paid \$25.5 million in compensation, which was about 93 percent of all employer lobbying spending. An additional \$824,827 was spent on lobbying related administrative costs, such as travel and other expenses. Lobbyists on their own spent \$745,435 on out-of-pocket expenses during this time period.

Below is the list of the top spending employers during 2024:

1. KY Chamber of Commerce \$461,430
2. KY Hospital Association \$298,178
3. LG&E and KU Energy LLC \$235,169
4. Altria Client Services LLC \$192,292
5. American Civil Liberties Union of KY (ACLU) \$184,657
6. KY Distillers' Assn. \$172,690
7. Duke Energy \$172,614
8. KY League of Cities, Inc. \$171,608
9. KY Primary Care Association \$166,217
10. KY Retail Federation, Inc. \$161,350
11. Greater Louisville, Inc. \$157,633
12. KY Assn. of Electric Cooperatives, Inc. \$146,444
13. HCA Healthcare, Inc. \$146,400
14. Humana Inc. \$137,767
15. KY Medical Association \$131,686
16. Churchill Downs Incorporated \$129,027
17. East KY Power Cooperative Inc. \$127,936
18. Pharmaceutical Care Management Assn. (PCMA) \$126,694
19. LifePoint Health \$120,439
20. Elevance Health and Affiliates DBA Anthem, Inc. \$118,592

## **Lobbying Report Deadline**

**Monday, February 17, 2025** is the next reporting deadline for lobbying entities, and all lobbyists and employers are required to file Updated Registration Statements by that date, for the period of **January 1** through **January 31, 2025**. This reporting period will be open for filing these reports on February 1, 2025.

The easiest and quickest way for lobbyists and employers to file is to visit the Commission's website <https://apps.klec.ky.gov/lec/onlinefiling.aspx> and file online.

## **Newly-Registered and Terminated Lobbying Employers**

The following businesses and organizations recently registered to lobby in Kentucky: **Access Fund, Alexion Pharmaceuticals, Inc., City of Greenup, KY, City of Scottsville, KY, Commonwealth Engineers, Inc., Cordata Healthcare Innovations, Inc., Dan Beard Council Scouting America, Foundation for Government Accountability, KY Society of Health System Pharmacists Inc., McDonald's Corporation, NetChoice, nSide-The School Safety Platform, Pew Charitable Trusts (The), Red River Gorge Climbers' Coalition, Reliable Partners, LLC, Sandoz Inc., SPARC Recovery and Western Hospitality Partners.**

The following businesses and organizations recently terminated in Kentucky: **Amalgamated Transit Union (ATU), American Pharmacy Services Corporation, AshBritt, Bellarmine University, Cannon Cochran Management Services, Inc., Clearview Healthcare Management KY LLC, Community Based Coordination Solutions, LLC, Consumer Safety Technology (CST), Dexcom, Inc., EverDriven, Fantasy Sports Alliance, Fleming Co. Public Schools, GoPuff, Greater Cincinnati & N. KY Apt. Assn., Ingram Barge Company, Jazz Pharmaceuticals, Inc. and Its Subsidiaries, KY Board of Podiatry, KY Merchants and Amusement Coalition, Inc., Kinder Morgan Energy Partners, L.P., Kramer Davis, LLC, National Assn. of Prof. Employer Organizations, NET Recovery Corp., Opportunity Solutions Project, Pa- ceomatic of Kentucky, People, Plants, and Health, RKMC, LLC, Sagitec Solutions LLC, Save the Children Action Network, Travelers Companies Inc. (The) & Subsidiaries, Unite US and YDK! Action.**

## **Ethics & Lobbying News from around the U.S.**

### **Commission on Ethics Chief Describes Rollout of Controversial New Ethics Law**

By Mitch Perry - **FLORIDA PHOENIX** - January 14, 2025

The law bans investigations unless the complaint comes from an individual with personal knowledge of the alleged violation. Last year, the Florida Legislature passed a law (SB 7014) that critics claimed would allow unethical conduct to continue unchecked.

The measure banned both state and local ethics commissions from launching investigations unless the complaint came from an individual who had first-hand personal knowledge or information about the problem. Watchdog groups called this new evidentiary standard excessive and one that most Floridians who learn of ethics violations could not meet.

The law also added time limits to the length of ethics investigations and required sworn affidavits to investigate complaints.

Historically, many ethics complaints have been filed by concerned citizens who learn about alleged malfeasance by reading a published or broadcast news report. But the law essentially wiped away the ability of regular citizens to file such complaints. It also banned local ethics panels from initiating investigations, compelling them to do so only after a complaint is registered.

Kerrie Stillman, executive director of the Florida Commission on Ethics, told the Senate's Ethics and Elections Committee on Tuesday that this provision requires the commission to consider more than the issues alleged in any complaint they receive.

"The additional analysis must be undertaken to address whether the complainant has personally observed the alleged conduct, or whether they have provided the information with the complaint that is not hearsay," she said. "If an allegation fails to meet both of those requirements, it cannot be investigated and will ultimately be dismissed by the commission."

That part of the measure went into effect immediately after Gov. Ron DeSantis signed the bill into law last June. Stillman said that it not only applies to newly filed complaints, but also to "all current complaints" on which the commission has not yet taken final action.

She said the Ethics Commission staff is reviewing complaints in which probable cause was found "to ascertain whether any of the allegations in the complaint that were investigated prior to the enactment of SB 7014 need to go before the Commission for consideration of dismissal of certain allegations, because they do not meet the new requirements."

She said one such case surfaced in their last meeting, and another has been found in a case on their next meeting agenda.

### **Time limits**

In addition, the new law puts a 30-day time limit on how long the commission can review an initial complaint to determine if it requires further investigation. If it does, that report must now be completed no later than 150 days after the beginning of the initial investigation.

"If we fail to meet any statutory deadlines, we expect that we will be challenged in court," Stillman said.

Palm Beach County Democratic Sen. Mack Bernard, vice chair of the committee, asked Steve Zuilkowski, general counsel of the Commission on Ethics, if the various local ethics boards around the state are implementing all of the provisions of the new law.

“They’re working hard, those local ethics boards, for sure,” Zuilkowski replied, without completely responding to the question.

Tina Descovich, vice chair of the Florida Commission on Ethics, said the agency is recommending that state lawmakers pass legislation this year to provide “whistleblower-like protection” for individuals who file ethics complaints.

“The Commission believes that the threat of adverse personal actions may discourage the filing of valid ethics complaints,” she said. “The enactment of whistleblower-like protections like those found under the Whistleblower Act would provide some protections to those who have a valid ethics complaint but are fearful to file because they fear they would lose their job if they filed an ethics complaint within our office.”

## **Maryland's Legislative Session Opens Amid Concerns Over \$86M Lobbying Influence**

By GARY COLLINS - **SPOTLIGHT ON MARYLAND** – January 9, 2025

A prominent state consumer advocate raised concerns Wednesday about lobbyist influence as the Maryland General Assembly convened its annual 90-day session in Annapolis.

Mollie Woods, an attorney with the Maryland Office of the People’s Counsel, told Spotlight on Maryland that special interest groups wield significant influence in the General Assembly due to their financial resources and “the size of their lobbying efforts.”

“Lobbying has impacts on all aspects of legislation, from what actually is proposed as a bill to what happens to a given bill, to how a bill is implemented,” Woods said.

An analysis by Spotlight on Maryland found that local and out-of-town organizations spent over \$86 million in the state during the 2024 reporting period. This represents a 28.4% increase in lobbying dollars spent since 2021.

Ethics data shows that more than 91% of lobby dollars were spent on compensation for advocates representing special interest groups. Expenditures on special event tickets, gifts and event sponsorships for policymakers totaled over \$2.5 million in lobbying costs.

In 2024, Constellation Energy spent the most on lobbying, according to ethics reports. Data shows the energy supplier dedicated \$903,161 advocating for and against various state legislation and regulatory policies.

Three energy companies were among the top ten of highest-spending special interest groups in the state, collectively spending over \$2 million to advocate for their interests.

With state energy policy expected to be a top legislative priority during the 2025 General Assembly session, Woods said she has some concerns.

“Public service companies are in a unique position,” Woods said. “They are private companies that have state-granted public monopolies, from that point of view, they have a captive customer base.”

“Our office is concerned ratepayers may be forced to pay for lobbying and political activity,” Woods added.

The Utility Transparency and Accountability Act was introduced during the 2024 General Assembly session to address concerns about energy companies passing on the cost of lobbying activity. The bill’s first draft prohibited all public utilities operating in Maryland from passing on lobbying and political advocacy costs to ratepayers.

The House and Senate advanced different versions of the bill. Despite these votes, the bill did not progress from a conference committee assigned to reconcile the differences before the end of the legislative session.

Spotlight on Maryland asked several energy companies that lobbied in the state during the last legislative session who pays for their lobbying activity. All responding companies dismissed the concerns raised by consumer advocates, citing federal regulations.

“As a Fortune 200 company headquartered in Baltimore and Maryland’s largest energy provider, Constellation routinely engages with state policymakers on clean energy and other policy matters that impact our customers and company,” a Constellation spokesperson said. “These costs are born by our shareholders and do not impact energy bills.”

Public Service Enterprise Group (PSEG), a New Jersey-based power line developer, echoed Constellation’s comments. PSEG submitted a regulatory application in December to construct the controversial 70-mile Maryland Piedmont Reliability Project.

“PSEG’s lobbying expenses are a matter of public record,” William Smith, PSEG’s spokesperson, said. “The \$110,000 expense (from 2024’s reporting period) is a retainer for an Annapolis-based public affairs firm.”

“In accordance with FERC’s rules, PSEG will not recover any lobbying costs through transmission rates,” Smith added.

Current federal law prohibits energy companies from passing on lobbying costs to ratepayers. However, consumer advocates argue that these regulations are difficult to enforce. A Spotlight on Maryland analysis found that in 2024, eight states, including Maryland, attempted to implement a ban on this practice.

State laws show Colorado, Connecticut and Maine have enacted similar bans.

Former state Sen. Bobby Zirkin, D-Baltimore County, told Spotlight on Maryland he sought lobbyist opinions on bills as topic experts.

“Lobbyists, I always found them to be very helpful,” Sen. Zirkin said. “Just as long as you recognize they are coming from an angle, a side, they’re really helpful because they have more information than you typical get in Annapolis.”

Sen. Zirkin, who briefly lobbied after leaving the Senate, said he would routinely seek opinions from opposing lobbyists and constituents before deciding how to vote. He added that he sometimes saw bias among a small group of legislators.

“What I found frustrating, and it’s getting worse, there are certain groups that tend to support Democrats or tend to support Republicans,” Sen. Zirkin said. “Some number of legislators couldn’t get away from that.”

“If the XYZ justice coalition said something, there are certain legislators that would vote that way because that’s their group, there are some folks that couldn’t get away from that,” Sen. Zirkin added.

State ethics reports show that 1,348 organizations spent \$10,000 or more in 2024 to influence policy and legislation. These entities included a vast array of market sectors including trade unions, political organizations, justice advocacy groups, transportation owners and energy companies.

The Embassy of Japan and a collective of local Maryland governments also appear in the state’s registered lobbyist list.