

1 AN ACT relating to financial settlements.

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 *(1) As used in this section:*

6 *(a) "Breach of contract" means failure, without legal excuse, to perform any*
7 *promise which forms the whole or part of a contract;*

8 *(b) "Discrimination" means any direct or indirect act or practice of exclusion,*
9 *distinction, restriction, segregation, limitation, refusal, denial, or any other*
10 *act or practice of differentiation or preference in treatment of any person,*
11 *or the aiding, abetting, inciting, coercing, or compelling that is unlawful*
12 *under KRS Chapter 344;*

13 *(c) "Harassment" means any action taken with the intention of intimidating,*
14 *harassing, annoying, threatening, physically or verbally abusing, or*
15 *alarming another person at work or in a work-related setting;*

16 *(d) "Public funds" means any moneys allocated by the General Assembly in*
17 *the budgets of the executive, legislative, and judicial branches of state*
18 *government and the Transportation Cabinet from any state government*
19 *fund, including but not limited to:*

- 20 *1. The general fund;*
- 21 *2. The road fund;*
- 22 *3. The bond debt related fund;*
- 23 *4. The capital construction fund;*
- 24 *5. Federal funds;*
- 25 *6. Fiduciary funds;*
- 26 *7. Restricted funds; or*
- 27 *8. Trust and agency funds;*

1 (e) "Settlement" means an agreement whereby parties address a disputed
2 matter or controversy by reaching a final disposition;

3 (f) "Severance" means payment by an employer to an employee beyond wages
4 upon the termination of employment; and

5 (g) 1. "Sexual harassment" means any unwelcome sexual advance, request
6 for sexual favors, or other verbal or physical conduct or
7 communication of a sexual nature if:

8 a. Submission to the advances, requests, conduct, or
9 communication is an explicit or implicit term or condition of
10 obtaining or retaining employment;

11 b. Submission to or rejection of the advances, requests, conduct, or
12 communication affects decisions concerning a person's
13 employment;

14 c. The conduct or communication has the purpose or effect of
15 unreasonably interfering with the person's ability to perform his
16 or her job functions or of creating a hostile work environment;
17 or

18 d. Any action that is sexual harassment as defined in KRS Chapter
19 344, Title VII of the Civil Rights Act of 1964, state or federal
20 case law, or enforced in policy or regulation by the federal Equal
21 Employment Opportunity Commission or the Kentucky
22 Commission on Human Rights.

23 2. "Sexual harassment" includes such conduct as:

24 a. Unwanted sexual contact or conduct of any kind, including
25 sexual flirtations, touching, advances, actions, propositions,
26 intercourse, or assault;

27 b. Unwelcome verbal communication of a sexual nature including

1 lewd comments or innuendo, sexual jokes or references, or
2 offensive personal references;

3 c. Demeaning, insulting, intimidating, or sexually suggestive
4 comments or behavior directed at a person or in the presence of
5 any person in a public or private setting;

6 d. The display in the workplace of demeaning, insulting,
7 intimidating, or sexually suggestive objects, pictures, or
8 photographs;

9 e. Demeaning, insulting, intimidating, or sexually suggestive
10 written, recorded, or electronically transmitted messages; or

11 f. Other conduct or communication not specifically described but
12 which is substantially similar to the conduct described in this
13 paragraph.

14 (2) Any financial settlement that results from actions of members or staff of the
15 General Assembly and implemented with the expenditure of public funds shall be
16 disclosed by each person who authorized or approved the settlement to the
17 Legislative Ethics Commission, including but not limited to financial settlements
18 resulting from cases of:

19 (a) Breach of contract;

20 (b) Discrimination;

21 (c) Harassment;

22 (d) Severance at termination of employment; and

23 (f) Sexual harassment.

24 (3) The Legislative Ethics Commission shall inform members and staff of the
25 General Assembly of the requirements of this section by various means, including
26 but not limited to:

27 (a) Ensuring the inclusion of information about the requirements of this

1 section in any employment manual for the use of legislators or legislative
2 staff;

3 (b) Ensuring the inclusion of information about the requirements of this
4 section in any form of training for legislators or legislative staff;

5 (c) Ensuring the inclusion of information about the requirements of this
6 section in periodic electronic mail messages to legislators and legislative
7 staff; and

8 (d) Ensuring the inclusion of information about the requirements of this
9 section on the Web site of the Legislative Ethics Commission.

10 (4) The Legislative Ethics Commission shall post a listing of all financial settlements
11 that result from actions of members or staff of the General Assembly,
12 implemented with the expenditure of public funds and reported to it, on its Web
13 site to ensure that the contents of each financial settlement are available to the
14 general public.

15 (5) Any person who authorizes or approves a financial settlement that results from
16 actions of members or staff of the General Assembly and implemented with the
17 expenditure of public funds who fails to report the settlement to the Legislative
18 Ethics Commission shall be subject to a fine of up to one thousand dollars
19 (\$1,000) for each offense.

20 (6) The contents of each financial settlement shall be subject to the provisions of
21 KRS 61. 870 to 61.884, notwithstanding the provisions of KRS 61.878(1).

22 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 11A IS CREATED TO
23 READ AS FOLLOWS:

24 (1) As used in this section:

25 (a) "Breach of contract" means failure, without legal excuse, to perform any
26 promise which forms the whole or part of a contract;

27 (b) "Discrimination" means any direct or indirect act or practice of exclusion,

1 distinction, restriction, segregation, limitation, refusal, denial, or any other
2 act or practice of differentiation or preference in treatment of any person,
3 or the aiding, abetting, inciting, coercing, or compelling that is unlawful
4 under KRS Chapter 344;

5 (c) "Harassment" means any action taken with the intention of intimidating,
6 harassing, annoying, threatening, physically or verbally abusing, or
7 alarming another person at work or in a work-related setting;

8 (d) "Public funds" means any moneys allocated by the General Assembly in
9 the budgets of the executive, legislative, and judicial branches of state
10 government and the Transportation Cabinet from any state government
11 fund, including but not limited to:

12 1. The general fund;

13 2. The road fund;

14 3. The bond debt related fund;

15 4. The capital construction fund;

16 5. Federal funds;

17 6. Fiduciary funds;

18 7. Restricted funds; or

19 8. Trust and agency funds;

20 (e) "Settlement" means an agreement whereby parties address a disputed
21 matter or controversy by reaching a final disposition;

22 (f) "Severance" means payment by an employer to an employee beyond wages
23 upon the termination of employment; and

24 (g) 1. "Sexual harassment" means any unwelcome sexual advance, request
25 for sexual favors, or other verbal or physical conduct or
26 communication of a sexual nature if:

27 a. Submission to the advances, requests, conduct, or

1 communication is an explicit or implicit term or condition of
2 obtaining or retaining employment;

3 b. Submission to or rejection of the advances, requests, conduct, or
4 communication affects decisions concerning a person's
5 employment;

6 c. The conduct or communication has the purpose or effect of
7 unreasonably interfering with the person's ability to perform his
8 or her job functions or of creating a hostile work environment;
9 or

10 d. Any action that is sexual harassment as defined in KRS Chapter
11 344, Title VII of the Civil Rights Act of 1964, state or federal
12 case law, or enforced in policy or regulation by the federal Equal
13 Employment Opportunity Commission or the Kentucky
14 Commission on Human Rights.

15 2. "Sexual harassment" includes such conduct as:

16 a. Unwanted sexual contact or conduct of any kind, including
17 sexual flirtations, touching, advances, actions, propositions,
18 intercourse, or assault;

19 b. Unwelcome verbal communication of a sexual nature including
20 lewd comments or innuendo, sexual jokes or references, or
21 offensive personal references;

22 c. Demeaning, insulting, intimidating, or sexually suggestive
23 comments or behavior directed at a person or in the presence of
24 any person in a public or private setting;

25 d. The display in the workplace of demeaning, insulting,
26 intimidating, or sexually suggestive objects, pictures, or
27 photographs;

1 e. Demeaning, insulting, intimidating, or sexually suggestive
2 written, recorded, or electronically transmitted messages; or

3 f. Other conduct or communication not specifically described but
4 which is substantially similar to the conduct described in this
5 paragraph.

6 (2) Any financial settlement that results from actions of any public servant or
7 employee of the executive branch of state government and implemented with the
8 expenditure of public funds shall be disclosed by each person who authorized or
9 approved the settlement to the Executive Branch Ethics Commission, including
10 but not limited to financial settlements resulting from cases of;

11 (a) Breach of contract;

12 (b) Discrimination;

13 (c) Harassment;

14 (d) Severance at termination of employment; and

15 (f) Sexual harassment.

16 (3) The Executive Branch Ethics Commission shall inform public servants and
17 employees of the executive branch of the requirements of this section by various
18 means, including but not limited to:

19 (a) Ensuring the inclusion of information about the requirements of this
20 section in any employment manual developed for the use of public servants
21 and employees of the executive branch;

22 (b) Ensuring the inclusion of information about the requirements of this
23 section in any form of training for public servants and employees of the
24 executive branch;

25 (c) Ensuring the inclusion of information about the requirements of this
26 section in periodic electronic mail messages to public servants and
27 employees of the executive branch; and

1 (d) Ensuring the inclusion of information about the requirements of this
 2 section on the Web site of the Executive Branch Ethics Commission.

3 (4) The Executive Branch Ethics Commission shall post a listing of all financial
 4 settlements that result from actions of public servants or employees of the
 5 executive branch, implemented with the expenditure of public funds and reported
 6 to it, on its Web site to ensure that the contents of each financial settlement are
 7 available to the general public.

8 (5) Any person who authorizes or approves a financial settlement that results from
 9 actions of public servants or employees of the executive branch and implemented
 10 with public funds who fails to report the settlement to the Executive Branch
 11 Ethics Commission shall be subject to a fine of up to one thousand dollars
 12 (\$1,000) for each offense.

13 (6) The contents of each financial settlement shall be subject to the provisions of
 14 KRS 61. 870 to 61.884, notwithstanding the provisions of KRS 61.878(1).

15 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 21A IS CREATED TO
 16 READ AS FOLLOWS:

17 (1) As used in this section:

18 (a) "Breach of contract" means failure, without legal excuse, to perform any
 19 promise which forms the whole or part of a contract;

20 (b) "Discrimination" means any direct or indirect act or practice of exclusion,
 21 distinction, restriction, segregation, limitation, refusal, denial, or any other
 22 act or practice of differentiation or preference in treatment of any person,
 23 or the aiding, abetting, inciting, coercing, or compelling that is unlawful
 24 under KRS Chapter 344;

25 (c) "Harassment" means any action taken with the intention of intimidating,
 26 harassing, annoying, threatening, physically or verbally abusing, or
 27 alarming another person at work or in a work-related setting;

1 (d) "Public funds" means any moneys allocated by the General Assembly in
2 the budgets of the executive, legislative, and judicial branches of state
3 government and the Transportation Cabinet from any state government
4 fund, including but not limited to:

5 1. The general fund;

6 2. The road fund;

7 3. The bond debt related fund;

8 4. The capital construction fund;

9 5. Federal funds;

10 6. Fiduciary funds;

11 7. Restricted funds; or

12 8. Trust and agency funds;

13 (e) "Settlement" means an agreement whereby parties address a disputed
14 matter or controversy by reaching a final disposition;

15 (f) "Severance" means payment by an employer to an employee beyond wages
16 upon the termination of employment; and

17 (g) 1. "Sexual harassment" means any unwelcome sexual advance, request
18 for sexual favors, or other verbal or physical conduct or
19 communication of a sexual nature if:

20 a. Submission to the advances, requests, conduct, or
21 communication is an explicit or implicit term or condition of
22 obtaining or retaining employment;

23 b. Submission to or rejection of the advances, requests, conduct, or
24 communication affects decisions concerning a person's
25 employment;

26 c. The conduct or communication has the purpose or effect of
27 unreasonably interfering with the person's ability to perform his

1 or her job functions or of creating a hostile work environment;

2 or

3 d. Any action that is sexual harassment as defined in KRS Chapter
4 344, Title VII of the Civil Rights Act of 1964, state or federal
5 case law, or enforced in policy or regulation by the federal Equal
6 Employment Opportunity Commission or the Kentucky
7 Commission on Human Rights.

8 2. "Sexual harassment" includes such conduct as:

9 a. Unwanted sexual contact or conduct of any kind, including
10 sexual flirtations, touching, advances, actions, propositions,
11 intercourse, or assault;

12 b. Unwelcome verbal communication of a sexual nature including
13 lewd comments or innuendo, sexual jokes or references, or
14 offensive personal references;

15 c. Demeaning, insulting, intimidating, or sexually suggestive
16 comments or behavior directed at a person or in the presence of
17 any person in a public or private setting;

18 d. The display in the workplace of demeaning, insulting,
19 intimidating, or sexually suggestive objects, pictures, or
20 photographs;

21 e. Demeaning, insulting, intimidating, or sexually suggestive
22 written, recorded, or electronically transmitted messages; or

23 f. Other conduct or communication not specifically described but
24 which is substantially similar to the conduct described in this
25 paragraph.

26 (2) Any financial settlement that results from actions of Justices of the Supreme
27 Court, Judges of the Court of Appeals, Circuit Court Judges, District Court

1 Judges, or other employees of the Kentucky Court of Justice and implemented
2 with the expenditure of public funds shall be disclosed by each person who
3 authorized or approved the settlement to the Clerk of the Supreme Court of
4 Kentucky, including but not limited to financial settlements resulting from cases
5 of;

6 (a) Breach of contract;

7 (b) Discrimination;

8 (c) Harassment;

9 (d) Severance at termination of employment; and

10 (f) Sexual harassment.

11 (3) The Clerk of the Supreme Court shall inform Justices of the Supreme Court,
12 Judges of the Court of Appeals, Circuit Court Judges, District Court Judges, and
13 other employees of the Kentucky Court of Justice of the requirements of this
14 section by various means, including but not limited to:

15 (a) Ensuring the inclusion of information about the requirements of this
16 section in any employment manual developed for use of Justices of the
17 Supreme Court, Judges of the Court of Appeals, Circuit Court Judges,
18 District Court Judges, and other employees of the Kentucky Court of
19 Justice;

20 (b) Ensuring the inclusion of information about the requirements of this
21 section in any form of training for Justices of the Supreme Court, Judges of
22 the Court of Appeals, Circuit Court Judges, District Court Judges, and
23 other employees of the Kentucky Court of Justice;

24 (c) Ensuring the inclusion of information about the requirements of this
25 section in periodic electronic mail messages to Justices of the Supreme
26 Court, Judges of the Court of Appeals, Circuit Court Judges, District Court
27 Judges, and other employees of the Kentucky Court of Justice; and

1 (d) Ensuring the inclusion of information about the requirements of this
 2 section on the Web site of the Kentucky Court of Justice.

3 (4) The Clerk of the Supreme Court of Kentucky shall post a listing of all financial
 4 settlements that result from actions of Justices of the Supreme Court, Judges of
 5 the Court of Appeals, Circuit Court Judges, District Court Judges, and other
 6 employees of the Kentucky Court of Justice, implemented with the expenditure of
 7 public funds and reported to the Clerk of the Supreme Court of Kentucky, on the
 8 Web site of the Kentucky Court of Justice to ensure that the contents of each
 9 financial settlement are available to the general public.

10 (5) Any person who authorizes or approves a financial settlement that results from
 11 actions of Justices of the Supreme Court, Judges of the Court of Appeals, Circuit
 12 Court Judges, District Court Judges, and other employees of the Kentucky Court
 13 of Justice and implemented with the expenditure of public funds who fails to
 14 report the settlement to the Clerk of the Supreme Court shall be subject to a fine
 15 of up to one thousand dollars (\$1,000) for each offense.

16 (6) The contents of each financial settlement shall be subject to the provisions of
 17 KRS 61. 870 to 61.884, notwithstanding the provisions of KRS 61.878(1).

18 ➔SECTION 4. A NEW SECTION OF KRS 164.011 TO 164.098 IS CREATED
 19 TO READ AS FOLLOWS:

20 (1) As used in this section:

21 (a) "Breach of contract" means failure, without legal excuse, to perform any
 22 promise which forms the whole or part of a contract;

23 (b) "Discrimination" means any direct or indirect act or practice of exclusion,
 24 distinction, restriction, segregation, limitation, refusal, denial, or any other
 25 act or practice of differentiation or preference in treatment of any person,
 26 or the aiding, abetting, inciting, coercing, or compelling that is unlawful
 27 under KRS Chapter 344;

1 (c) "Harassment" means any action taken with the intention of intimidating,
2 harassing, annoying, threatening, physically or verbally abusing, or
3 alarming another person at work or in a work-related setting;

4 (d) "Public funds" means any moneys allocated by the General Assembly in
5 the budgets of the executive, legislative, and judicial branches of state
6 government and the Transportation Cabinet from any state government
7 fund, including but not limited to:

8 1. The general fund;

9 2. The road fund;

10 3. The bond debt related fund;

11 4. The capital construction fund;

12 5. Federal funds;

13 6. Fiduciary funds;

14 7. Restricted funds; or

15 8. Trust and agency funds;

16 (e) "Settlement" means an agreement whereby parties address a disputed
17 matter or controversy by reaching a final disposition;

18 (f) "Severance" means payment by an employer to an employee beyond wages
19 upon the termination of employment; and

20 (g) 1. "Sexual harassment" means any unwelcome sexual advance, request
21 for sexual favors, or other verbal or physical conduct or
22 communication of a sexual nature if:

23 a. Submission to the advances, requests, conduct, or
24 communication is an explicit or implicit term or condition of
25 obtaining or retaining employment;

26 b. Submission to or rejection of the advances, requests, conduct, or
27 communication affects decisions concerning a person's

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- employment;
- c. The conduct or communication has the purpose or effect of unreasonably interfering with the person's ability to perform his or her job functions or of creating a hostile work environment;
- or
- d. Any action that is sexual harassment as defined in KRS Chapter 344, Title VII of the Civil Rights Act of 1964, state or federal case law, or enforced in policy or regulation by the federal Equal Employment Opportunity Commission or the Kentucky Commission on Human Rights.
2. "Sexual harassment" includes such conduct as:
- a. Unwanted sexual contact or conduct of any kind, including sexual flirtations, touching, advances, actions, propositions, intercourse, or assault;
- b. Unwelcome verbal communication of a sexual nature including lewd comments or innuendo, sexual jokes or references, or offensive personal references;
- c. Demeaning, insulting, intimidating, or sexually suggestive comments or behavior directed at a person or in the presence of any person in a public or private setting;
- d. The display in the workplace of demeaning, insulting, intimidating, or sexually suggestive objects, pictures, or photographs;
- e. Demeaning, insulting, intimidating, or sexually suggestive written, recorded, or electronically transmitted messages; or
- f. Other conduct or communication not specifically described but which is substantially similar to the conduct described in this

1 paragraph.

2 (2) Any financial settlement that results from actions of employees of any public
3 institution of higher learning in Kentucky and implemented with the expenditure
4 of public funds shall be disclosed by each person who authorized or approved the
5 settlement to the Council on Postsecondary Education, including but not limited
6 to financial settlements resulting from cases of;

7 (a) Breach of contract;

8 (b) Discrimination;

9 (c) Harassment;

10 (d) Severance at termination of employment; and

11 (e) Sexual harassment.

12 (3) The Council on Postsecondary Education shall inform employees of any public
13 institution of higher learning in Kentucky of the requirements of this section by
14 various means, including but not limited to:

15 (a) Ensuring the inclusion of information about the requirements of this
16 section in any employment manual developed for use of employees of any
17 public institution of higher learning in Kentucky;

18 (b) Ensuring the inclusion of information about the requirements of this
19 section in any form of training for employees of any public institution of
20 higher learning in Kentucky;

21 (c) Ensuring the inclusion of information about the requirements of this
22 section in periodic electronic mail messages to employees of any public
23 institution of higher learning in Kentucky; and

24 (d) Ensuring the inclusion of information about the requirements of this
25 section on the Web site of the Council on Postsecondary Education.

26 (4) The Council on Postsecondary Education shall post a listing of all financial
27 settlements that result from actions of employees of any public institution of

- 1 higher learning in Kentucky, implemented with the expenditure of public funds
2 and reported to it, on its Web site to ensure that the contents of each financial
3 settlement are available to the general public.
- 4 (5) Any person who authorizes or approves a financial settlement that results from
5 actions of employees of any public institution of higher learning in Kentucky and
6 implemented with the expenditure of public funds who fails to report the
7 settlement to the Executive Branch Ethics Commission shall be subject to a fine
8 of up to one thousand dollars (\$1,000) for each offense.
- 9 (6) The contents of each financial settlement shall be subject to the provisions of
10 KRS 61. 870 to 61.884, notwithstanding the provisions of KRS 61.878(1).