

Approved Feb. 13, 1985
Date

MINUTES OF THE SENATE COMMITTEE ON ELECTIONS

The meeting was called to order by Senator Gordon at
Chairperson

1:30 ~~am~~/p.m. on February 6, 1985 in room 522-S of the Capitol.

All members were present except: Senators Vidricksen and Senator Walker
who were excused.

Committee staff present:

Myrta Anderson - Legislative Research Department
Ramon Powers - Legislative Research Department
Theresa Kiernan - Revisor of Statutes
Phil Lowe - Secretary to Committee

Conferees appearing before the committee:

Carol Williams - Kansas Public Disclosure Commission
Jim Edwards - Kansas Chamber of Commerce and Industry
Mary Turkington - Kansas Motor Carriers Association
Mike Germann - Kansas Railroad Association

The meeting was called to order by the Chairman for the purpose of conducting hearings on SB 136 and SB 138.

Carol Williams of the Public Disclosure Commission said SB 136 relates to campaign contributions and was one of the commission's recommendations made this year. She stated this law has been on the statutes since 1911 and presently this statute falls under the jurisdiction of the Attorney General's Office. The commission receives inquiries regarding interpretation of this statute and although it is campaign finance related the commission cannot address the inquiries made of this statute since it falls outside its jurisdiction. The commission therefore requests that the statute be brought into compliance with the campaign finance act.

Mr. Jim Edwards, KCCI, appeared before the committee in support of SB 138 which relates to campaign contributions and repeals K.S.A. 25-1710 and K.S.A. Supp. 25-1709 of 1984. Mr. Edward's remarks (Attachment No. 1) are attached.

Mary Turkington representing the Kansas Motor Carriers Association appeared before the committee on behalf of 1,550 members of their firm-members of their association representing the highway transportation industry. In her remarks (Attachment No. 2) Ms. Turkington said their industry believes that citizenship involvement in the affairs of government is essential to good government at all levels. She stated further their industry believes SB 138 would repeal what they believe to be archaic and discriminatory provisions of the Kansas election laws.

Mike Germann appeared on behalf of the Kansas Railroad Association in support of SB 138. He stated the bill as written repeals two statutes enacted in 1911 to limit certain business and most of their stockholders from having too much influence on political activities. Mr. Germann's testimony is Attachment #3.

Myrta Anderson from the Legislative Research Department gave some background statistics relating to other states in regard to campaign contributions. Attachment #4.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Efections,
room 522-S, Statehouse, at 1:30 ~~am~~/p.m. on February 6, 195.

At the next meeting the committee will consider SB 135 and SB 137. The staff was requested to explain what effect SB 135 would have on SB 136 and SB 138.

The meeting was adjourned.

Attachments:

- Att. #1 - Remarks by Jim Edwards, KCCI
- Att. #2 - Remarks by Mary Turkington, Motor Carriers Assoc.
- Att. #3 - Remarks by Mike Germann, Kansas Railroad Assoc.
- Att. #4 - Remarks by Myrta Anderson, Legis. Research
- Att. #5 - Guest List

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Name	Organization
Greg E. Turkington	Kansas Motor Carriers Assn -
Tom W. Shaker	Kansas Motor Carriers Assn
Allen Lot	Intern - Sen. Korr
Carol Wright	Ks Credit Union League
Ray Allen Deyo	Ks Credit Union League
Mervin C. Amholz	KCUU
Jim Edwards	KCCI
David Williams	Ks Public Disclosure Comm
Mike German	Ks Railroad Association
Jana Atchison	Ks Public Disclosure Comm.
Richard Funk	RAIB
Ben Neill	SWBMS
Ken Calvert	U. I. U.
JEFF RUSSELL	UNITED TEL.
Chris Barber	AP
M. Hyman	Touwen Car Jour

Attachment # 5

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LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

SB 138

February 6, 1985

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the SENATE ELECTION COMMITTEE

Mr. Chairman and Members of the Committee:

My name is Jim Edwards and I am Director of Public Affairs for the Kansas Chamber of Commerce and Industry. I appear before you today to express our organization's support for SB 138.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses plus 215 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

SB 138 would repeal two statutes, both dealing with campaign contributions by regulated industries. These statutes are currently under the jurisdiction of the

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Attorney General's office.

Let us take just a few moments to look at the history of these laws. Both laws; KSA 25-1709, the statute which prohibits the contributions; and KSA 25-1710, the statute providing the penalties for the violation of KSA 25-1709; were put on the books in 1911. A period during which many of the businesses affected by the statute could have been said to have monopolistic control over their customers. These statutes probably made sense in 1911.

However, I'm sure that you will agree with me that times have changed. If you would have told a power company official in 1911 that in 1985 he might have competition in the source of wind generators or solar panels, he probably would have laughed. The telephone company would have laughed also if you mentioned the use of private micro wave systems or the proliferation of citizens band radios in recent years. Well, the above mentioned firms still don't have, and probably rightfully so, a truly competitive market. I would maintain though that some form of competition can be found for any of the mentioned businesses, some more than others.

Because of these changes, we also need to look at laws affecting these businesses in change. Almost all firms, except those mentioned in the statute, are allowed to make campaign contributions to the candidates of their choice. It is hard to understand why we continue to impose on businesses laws which are no longer realistic nor truly address the concerns. With this in mind, we urge the repeal of the two statutes, thereby allowing a method for campaign funding that is not presently available.

We do not anticipate that making these changes would have any impact on the customer. The change would be in the area of stockholder's equity or stockholder's dividends. Presently, an electric company probably uses the following to raise funds

for a company affiliated PAC: 1) they send a dividend check to their stockholders; 2) they write a letter to their stockholders asking for contributions; and, 3) they receive funding for their PAC. When this bill is passed, it will allow the management of the company to set aside a portion of the stockholder's equity for funding their affiliated PAC. Basically, we are talking about the exact same dollars. The only difference is the allocation.

In addition to the above, the KCC has given its intent for the future by preparing written policy which would continue the prohibition of inclusion of campaign contributions in above the line expenses for the rate base. Simply, utilities would be disallowed, from taking campaign contributions from anyplace but the stockholder's equity.

Changes have taken place and changes need to be made. Specifically, I urge your support of SB 138 and urge that it be passed allowing for the repeal of KSA 25-1709 and KSA 25-1710.

I appreciate the opportunity to present this testimony to you today.

STATEMENT

By The

KANSAS MOTOR CARRIERS ASSOCIATION

Supporting Senate Bill No. 138 which repeals
K.S.A. 25-1710 and K.S.A. Supp. 25-1709 relating
to the election laws of Kansas.

Presented to the Senate Elections Committee,
Senator Francis Gordon, Chairman; Statehouse,
Topeka, Wednesday, February 6, 1985.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Mary Turkington, Executive Director of the Kansas Motor Carriers Association with offices in Topeka. I appear here today on behalf of the 1,550 member-firms of our Association representing the highway transportation industry.

Our industry supports Senate Bill No. 138 which would repeal what we honestly believe to be archaic and discriminatory provisions of the Kansas election laws.

The accountability requirements now administered by the Kansas Public Disclosure Commission provide adequate guidelines for those candidates who seek public office and those who support such candidates with campaign contributions. These safeguards should apply equally to all those involved in such election efforts.

Our industry further believes that citizenship involvement in the affairs of government is essential to good government at all levels.

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The present language of K.S.A. 25-1709 as amended in the 1984 supplement, discourages those governed by this provision from being full participants in the election process. I'm certain this is not the intent of this Committee or this Legislature.

Repeal of these sections of the statute through adoption of S.B. 138 would eliminate such artificial barriers to full citizenship participation by our industry. We indeed support adoption of Senate Bill 138 and urge this Committee to recommend the bill for passage.

Obviously, support of Senate Bill 138 would negate any reason to consider further Senate Bill ¹³⁸~~916~~ which was designed as a "housekeeping" measure.

Thank you for the opportunity to appear before you today. I will be pleased to respond to any questions I may answer.

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STATEMENT OF THE
KANSAS RAILROAD ASSOCIATION

Presented to

THE SENATE COMMITTEE ON ELECTIONS
The Honorable E. Francis Gordon, Chairman

Statehouse
Topeka, Kansas
February 6, 1985

Attachment # 3
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KANSAS RAILROAD ASSOCIATION

SUITE 605, 109 WEST NINTH STREET
P.O. BOX 1738
TOPEKA, KANSAS 66628

913-232-5805

February 6, 1985

PATRICK R. HUBBELL
SPECIAL REPRESENTATIVE-PUBLIC AFFAIRS

MICHAEL C. GERMANN, J. D.
LEGISLATIVE REPRESENTATIVE

MR. CHAIRMAN AND MEMBERS OF THE SENATE ELECTIONS COMMITTEE:

My name is Mike Germann. I appear on behalf of the Kansas Railroad Association in support of Senate Bill 138.

Senate Bill 138 would repeal two statutes enacted in 1911 to limit the ability of certain businesses and their majority stockholders from having an undue influence on political activities. More than seventy years have transpired since the public policy giving rise to the enactment of these statutes was formulated. Much has changed in that time.

Today, little distinction exists between many of the businesses politically disenfranchised by K.S.A. 1984 Supp. 25-1709 and other businesses not so disenfranchised. Many of the businesses politically disenfranchised by statute in 1911 are today wholly-owned subsidiaries of businesses which are not politically disenfranchised. No campaign finance act existed in 1911. Today, extensive reporting requirements exist for candidates, candidate committees, political committees and party committees. No limitation on

the amount of political contributions existed in 1911.
Today, the amount of political contributions is limited by
law.

We believe times change and valid public policy of many
years ago is not necessarily valid public policy today. We
encourage legislative enactment of Senate Bill 138.

Thank you for the opportunity to present our statement.
I will try to respond to any questions you may have.

Federal Election Campaign Act - 1974

Presidential Election Campaign Fund 1971

Buckley v. Valeo 1976

affluent part
of population

~~2000~~
~~1998~~

1. 24 states restrict contributions by corporations.
2. Oregon bars contributions from most public businesses such as banks, utilities and common carriers as well as companies that can condemn or take land.
3. 7 states Delaware, Florida, Indiana, Maine, Maryland, Mississippi and New York and the District of Columbia permit corporations to contribute but set limits on the amount they can give.
4. Federal law prohibits contributions from corporations and unions.
5. 10 states restrict labor union contributions to campaigns. Arizona, Connecticut, New Hampshire, North Carolina, North Dakota, Pennsylvania, South Dakota, Texas, Wisconsin.

Attachment # 4

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In several states (Kansas) corporations and unions were prohibited from contributing to ballot initiative campaigns.

35 US 765
(1978)

U.S. Supreme Court in 1978 declared unconstitutional a Massachusetts law prohibiting corporations from spending money to influence the outcome of tax referenda.

This decision in *First National Bank v. Bellotti* was followed by a U.S. District Court decision ruling unconstitutional Florida's state law preventing corporations from spending more than \$3,000 on ballot initiatives.

West Virginia prohibits state contractors from contributing to political candidates, committees or parties during the contract negotiation period.

The ruling of the Supreme Court in *Buckley v. Valeo* equated campaign spending with free speech. If free speech in politics means the right to speak effectively, the Court's decision justifies the use of tax dollars for campaign purposes.

Attachment #1