

Approved 3-27-89
Date

MINUTES OF THE Senate COMMITTEE ON Elections

The meeting was called to order by Senator Don Sallee at
Chairperson

1:30 ~~am~~/p.m. on March 21, 1989, 19 in room 529-S of the Capitol.

All members were present except:

Senator Richard Rock (excused)

Committee staff present:

Myrta Anderson, Research Department
Fred Carman, Revisor of Statutes' Office
Elizabeth Handke, Committee Secretary

Conferees appearing before the committee:

Carol Williams, Public Disclosure Commission
Bill Graves, Secretary of State
Michael Woolf, Common Cause
John Koepke, Executive Director Ks Assn. School Boards
Craig Grant, Kansas National Education Association

Others attending: see attached list (attachment 1).

Chairman Sallee called the meeting to order at 1:39 P.M.

Carol Williams of the Public Disclosure Commission appeared before the committee as a proponent of H.B. 2359 (attachment 2). She stated that conceptually, the sponsors of the bill want the Commission's only role in a local campaign finance act to be that of prescribing and providing the reporting forms to each county election officer and issuing advisory opinions. This bill contains some of the most substantive changes recommended in the Campaign Finance Act since its inception in 1974. Although H.B. 2359 contains several technical flaws, the basic concepts of the bill would do much to enhance campaign finance disclosure at both the state and local level. This in turn would provide the public with the timely information they need for knowledgeable participation in state and local elections.

Bill Graves, Secretary of State testified before the committee as a proponent of H.B. 2359 (attachment 3). He stated that he believed the main cause of voter apathy and citizen distrust of our government officials is the perception that well-funded political action committees pump unlimited amounts of money into incumbent campaign war chests, making those candidates virtually unbeatable and, at the same time, more responsive to the money that financed them than to the people who voted for them. Elected public officials have an image problem that is undermining citizens interest in and support of our democracy. This is a perception that responsible elected officials must work to overcome. H.B. 2359 would help to do that with tighter restrictions on contributions and more openness in campaign finance reporting.

Michael Woolf, Common Cause, appeared before the committee as a proponent for H.B. 2359 (attachment 4). He stated that Common Cause members realize that it is easier to get campaign funds from PACs than by asking for many small individual citizen contributions. And

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MINUTES OF THE Senate COMMITTEE ON Elections

room 529-S, Statehouse, at 1:30 ~~xx~~/p.m. on March 21, 1989, 19

once PACs have provided enough funds for a campaign, there is not much incentive to seek out individual contributions. If we want to maintain respect and support for our electoral system, it is a wise move to take steps that can help citizens feel that their contributions carry some weight in the halls of government. Senator Bond asked what Common Cause suggestion, in the case of resignation or retirement, would be for the disposal of campaign funds. Mr. Woolf replied there were three options which are to return the money to the contributors, to donate the money to the general fund or to donate the money to the political party.

John Koepke, Executive Director of Kansas Association of School Boards, appeared before the committee as a opponent of H.B. 2359 (attachment 5). He stated they believe it is inappropriate to add community college trustees and local board of education members to the provisions of the Campaign Finance Act, which presently applies only to candidates for election to state office. Therefore, we would request that community college and school board offices be removed from the proposed definition of "local office" under the Campaign Finance Act.

Craig Grant, representing Kansas National Education Association, appeared as an opponent of H.B. 2359 (attachment 6). He told the Senators that Kansas-NEA is opposed to H.B. 2359 in its present form. We believe that an even playing field exists presently with our campaign finance laws. We do not believe that special interest PACs in this state have a great influence on lawmakers just because of political donations. We would oppose these changes in our campaign act and since they are included in H.B. 2359, we oppose the bill.

Pete McGill was unable to be present at the committee hearing but had testimony distributed as a proponent of H.B. 2359 (attachment 7). His testimony stated he believes very strongly that all loopholes should closed where one PAC could create and contribute to subsidiary PAC's and exceed the limitations for individual contributions that you may specify. The same should be true of individuals who own a substantial interest in more than one corporation that may choose a similar route.

Senator Sallee appointed a subcommittee to further work H.B. 2359. Senator Yost is chairman and members of the committee are Senator Kerr and Senator Martin.

Chairman Sallee adjourned the meeting at 2:13 P.M.

STATE OF KANSAS



KANSAS PUBLIC DISCLOSURE COMMISSION

109 W. NINTH
TOPEKA, KANSAS 66612
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Testimony Before Senate Elections Committee on HB 2359

By Carol Williams, KS Public Disclosure Commission

The Commission has asked that I testify on HB 2359 for several reasons; to stand as a proponent for several provisions of the bill, to offer technical amendments to the bill to make the sections administratively workable, and to provide information concerning the costs of implementing this legislation.

The Commission supports passage of New Section 1(b). This section is a recommendation made by the KPDC in its "1988 Annual Report and Recommendations". These provisions are the same as those contained in SB 137, which this committee held hearings on in February. New Section 1(b) would require candidates in less than statewide races to file campaign finance reports with the Secretary of State and with the election officers of the counties within their districts. The Kansas Public Disclosure Commission believes that one of its purposes in the area of campaign finance is to see that the public is provided with timely and accurate information needed for knowledgeable participation in state elections. Currently all state candidate campaign finance reports are filed only in Topeka. Local citizens and media representatives must come to Topeka to review these reports. Due to the timing of the report filings, it is almost impossible for most citizens to get access to candidates' reports prior to an election. If state candidates filed copies of their campaign reports locally, citizens across the state would have access

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to timely financial information which they can review and disseminate prior to an election. Without provisions for easier access to campaign finance reports, the value of the disclosure element of the Act is thwarted. Simple and convenient access to reports should be provided to any interested person. At its monthly meeting on March 15th, the Commission modified its recommendation to suggest that candidates who represent more than one county, file but one report locally, that being in the most populated county of their district. The Commission feels that a single county filing would reduce the burden on candidates, some of whom represent up to twelve counties. The Commission would incur no additional costs in implementing New Section 1(b). County election officers would be required to retain all reports for only one year following an election.

The language in New Section 5 and New Section 6 was offered as amendments on the House floor by Representative Vancrum. As the Commission's Appropriations Subcommittee Chairman, Representative Vancrum recommended new sections 5 and 6 as a means of providing funding for an additional full time report examiner position for the agency. New section 5 would require political action committees to register annually with the Commission and pay a \$100 registration fee. New Section 6 would establish in the State Treasury a fee fund for the agency.

The Commission supports legislation which would provide its staff with an additional full-time position. The Commission, however, does not take a position on the method of funding this position. In its 1990 budget request, the Commission requested a full-time report examiner position that was projected to cost \$22,775. In order to accomplish one of its primary objectives, to assure compliance with campaign finance, conflict of interest, financial disclosure and lobbying statutory provisions, the Commission has

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continually requested additional staff positions.

The Commission also supports the provisions of Section 7(a)(4)&(5) which would require annual reports to be filed by ongoing candidates and committees in non-election years. Administratively, more frequent reporting would ease the burden on treasurers by reducing the time span covered by the first period report. For example, statewide and senatorial candidates' treasurers must accumulate and document activity over a three year eight-month time period for the first report due in an election year. The Commission recommends that those candidates and committees that have had no activity during a calendar year be allowed to submit a simple form or postcard stating that fact. The fiscal impact of implementing this legislation would be approximately \$1200. The additional reports would not increase staff workload but merely shift it. The same information will be reviewed whether it is reviewed on a report covering 44 months or whether it is reviewed on a report every 12 months.

Since the Commission administers the Campaign Finance Act, the following technical changes are recommended:

New Section 1(a). On line 36 the words "treasurer for" should be inserted before state candidates. Current law states that treasurers, not candidates, file campaign finance reports.

Conceptually, the sponsors of the bill want the Commission's only role in a local campaign finance act to be that of prescribing and providing the reporting forms to each county election officer and issuing advisory opinions. Language to this effect can be found in HB 2134, sponsored by Representatives Sughrue and Baker. It is suggested that this bill be amended into HB 2359 to clear up the ambiguity of the current language in this section. The Commission believes that current language contained in Section 1(a) could be interpreted to mean that the Commission administers and enforces the local campaign finance

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provisions. The cost of providing report forms and rendering advisory opinions in the local campaign finance area is anticipated to be approximately \$5200.

New Section 1(b). The wording for this section was taken from SB 137. Since all of SB 137 is not contained in this section, it is necessary for "pursuant to this section" in line 41 and "prescribed by subsection (a)" in line 42 to be cross referenced to K.S.A. 25-4148.

Section 4(d)(3) lines 179-185. Language in subsection 3 was added on the House floor by Representative Patrick. It was Representative Patrick's intent to prohibit parent/subsidiary corporations, as well as state PACs and their local affiliates, from independently being able to contribute the maximum contribution. For contribution limitation purposes, the parent/subsidiary corporation and the state PAC/local affiliated PAC would be considered as one.

The language used in Section 4(d)(3) is taken from the Council on Governmental Ethics Laws draft "Model Campaign Finance Law". Subsection 3 should not be amended into the definition section of K.S.A. 25-4143. Defining these contribution limitations as a contribution is not appropriate. This section should be placed in the contribution limitation section of K.S.A. 25-4153. The full text of the model law, rather than a segment of it, should be utilized. For purposes of contribution limitations, the following apply:

- (1) All payments made by a person, organization, or political action committee whose contribution or expenditure activity is financed, maintained, or controlled by a corporation, labor organization, association, or any other person or committee, including a parent, subsidiary, branch, division, department, or local unit of the corporation, labor organization, association, or any other person, or by a group of such persons are

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considered made by the same person or committee.

(2) Two (2) or more entities are treated as a single entity if the entities:

(a) share the majority of members on their boards of directors;

(b) share two (2) or more officers;

(c) are owned or controlled by the same majority shareholder or shareholders; or

(d) are in a parent-subsiidiary relationship.

(e) An individual and a general partnership in which the individual is a partner, or an individual and a corporation in which the individual owns a controlling interest, is considered one (1) person.

Two additional technical changes needed would be to amend K.S.A. 25-4171, the penalty section of the Act, to include a violation of New Sections 1 and 2 as class A misdemeanors; and amend the title section of the Act, K.S.A. 25-4142, to include New Section 1(b), 2, 3, and 6 so they are included when referring to the Campaign Finance Act.

This bill contains some of the most substantive changes recommended in the Campaign Finance Act since its inception in 1974. Although HB 2359 contains several technical flaws, the basic concepts of the bill would do much to enhance campaign finance disclosure at both the state and local level. This in turn would provide the public with the timely information they need for knowledgable participation in state and local elections.

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SUMMARY OF 1988 ELECTION YEAR
CONTRIBUTIONS TO STATE CANDIDATES

TYPE OF CONTRIBUTOR	SENATE CANDIDATES	HOUSE OF REPRESENTATIVE CANDIDATES	JUDICIAL CANDIDATES	DISTRICT ATTORNEY CANDIDATES	BOARD OF EDUCATION CANDIDATES	TOTAL CONTRIBUTED
PACs	\$ 603,649	\$ 956,578	\$ 4,350	\$ 3,369	\$ 3,775	\$1,571,721
INDIVIDUALS	548,814	515,672	143,316	89,069	4,005	\$1,300,876
CORPORATIONS, BUSINESSES, UNIONS	188,934	151,145	54,608	23,946	50	\$ 418,683
OUT-OF-STATE ORGANIZATIONS	142,677	147,136	1,130	4,225	0	\$ 295,168
PARTY COMMITTEES	57,150	59,898	2,323	3,608	100	\$ 123,079
CANDIDATE'S/SPOUSE'S PERSONAL FUNDS	127,033	185,997	88,607	9,859	188	\$ 411,684
OTHER CANDIDATES	27,376	30,624	2,400	900	100	\$ 61,400
UNITEMIZED	154,340	210,617	28,518	6,223	6,629	\$ 406,327
TOTAL CANDIDATE CONTRIBUTIONS	\$1,849,973	\$2,257,667	\$325,252	\$141,199	\$14,847	\$4,588,938

COMPARISON OF 1982, 1984, 1986, 1988 CONTRIBUTIONS
TO HOUSE CANDIDATES BY TYPE OF CONTRIBUTION

TYPE OF CONTRIBUTOR	1982 AMOUNT	1984 AMOUNT	1986 AMOUNT	1988 AMOUNT
PACs	\$603,974	\$658,639	\$873,416	\$956,578
INDIVIDUALS	263,620	310,126	288,420	515,672
CORPORATIONS, BUSINESSES, UNIONS	75,320	75,328	95,389	151,145
OUT-OF-STATE ORGANIZATIONS	17,850	58,800	147,725	147,136
PARTY COMMITTEES	49,614	41,060	38,369	59,898
CANDIDATE'S/SPOUSE'S PERSONAL FUNDS	76,375	96,264	134,718	185,997
OTHER CANDIDATES	-	-	18,813	30,624
UNITEMIZED	159,606	106,065	125,800	210,617
TOTAL	\$1,246,359	\$1,346,282	\$1,722,650	\$2,257,667

COMPARISON OF 1984 AND 1988 CONTRIBUTIONS
TO SENATE CANDIDATES BY TYPE OF CONTRIBUTION

TYPE OF CONTRIBUTOR	1984 AMOUNT	1988 AMOUNT
PACs	\$447,993	\$603,649
INDIVIDUALS	339,012	548,814
CORPORATIONS, BUSINESSES, UNIONS	115,318	188,934
OUT-OF-STATE ORGANIZATIONS	80,482	142,677
PARTY COMMITTEES	33,348	57,150
CANDIDATE'S/SPOUSE'S PERSONAL FUNDS	219,425	127,033
OTHER CANDIDATES	N/A	27,376
UNITEMIZED	99,538	154,340
TOTAL	\$1,335,116	\$1,849,973

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TOP TWENTY POLITICAL ACTION COMMITTEE CONTRIBUTORS
TO KANSAS LEGISLATIVE CANDIDATES

1988

Political Action Committee	Total Contributions Reported Given to Legislative Candidates
Kansas Realtors PAC	\$94,900
Kansas PAC (KNEA)	94,375
LEAGG (Kansas Trial Lawyers)	81,060
Kansas Medical PAC	75,700
Southwestern Bell Kansas Employees PAC	56,400
KPL Gas Service Employees PAC	53,250
House PAC	50,800
Kansas Dental PAC	44,350
Kansas Contractors Association PAC	42,150
Kansas Optometric PAC	39,125
Kansas Bankers Association PAC	35,333
Kansas Senate PAC	30,600
Political Action Council of Kansas (PACK)	29,048
Committee for Kansas	28,500
HallPAC-Kansas	28,200
Kansas League of Savings PAC	26,350
Kansas Beer PAC	25,624
United Telephone Company of Kansas	24,750
Kansas Amoco PAC	24,125
Kansas Hospital Association PAC	23,998

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KEY

The sources of contributions and receipts established by category are explained below:

Candidate's/Spouse's Personal Funds - Total contributions from the candidate's and/or spouse's own personal funds.

Contributions by Other Candidates - Total contributions from "candidate committees" formed or controlled by other candidates for the purpose of supporting the specified candidates in an election.

Corporations, Businesses, Unions - Total of direct contributions from corporations, partnerships, proprietorships, cooperative associations, joint ventures and other forms of unincorporated businesses and non-profit corporations. Also included are trade and business organizations as well as local, district and state labor organizations.

Individuals - Total of contributions from natural persons.

Out-of-State Organizations - Total contributions from out-of-state PACs not registered in Kansas, out-of-state corporations, partnerships, proprietorships, cooperative associations, joint ventures, other forms of unincorporated businesses, non-profit corporations, trade, business and labor organizations.

Party Committees - Total contributions from state and county committees of the Democratic and Republican parties.

Political Action Committees (PAC) - Total of contributions from PACs sponsored by a business entity, trade, professional, or labor organization, which receives contributions from officers, employees, members or stockholders of such entity. This category also includes womens membership party clubs as well as ideological and other types of issue oriented groups that form a PAC.

A PAC is defined as any combination of two or more individuals or any person other than an individual, a major purpose of which is to support or oppose any candidate for state office.

Unitemized - The Campaign Finance Act provides that contributions from any person whose contributions aggregate \$50 or less may be reported as a total of such contributions without itemizing the contributors by name and address. Total contributions of this type are stated in this category.

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Candidates & Committees Filing Receipts and Expenditures Reports	1982	1984	1986	1988
Candidates	321	444	319	458
PACs	163	211	225	211
Party Committees	146	162	156	168

Filers of Affidavits of Exemption	1982	1984	1986	1988
Candidates	82	193	78	162
PACs	100	20	54	48
Party Committees	52	31	42	25

Affidavits of Exemption can be filed by any candidate who does not raise or spend more than \$500 during his or her primary campaign or \$500 during his or her general election campaign.

Affidavits of Exemption can be filed by any committee that does not raise or spend more than \$500 during a calendar year.

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Bill Graves
Secretary of State



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STATE OF KANSAS

Senate Elections Committee
March 21, 1989

Testimony of
Secretary of State Bill Graves
House Bill 2359

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to appear in support of House Bill 2359. There are at least three hats that I could be wearing today, and each would cast a different perspective on this bill.

I am appearing as the chief election official for Kansas, as a statewide candidate in a previous election and as a probable statewide candidate in a future election.

In each of these roles I favor passage of H.B. 2359.

As a candidate and as an elected public official given the opportunity to serve the people and sworn to uphold the public trust, I do not object to reductions in the dollar amounts of campaign contributions that I will be allowed to receive; to a restriction on the transfer of campaign receipts for personal use; or to the requirement of yearly reporting.

I also support the changes regarding disclosure by local candidates, increased reporting and reduced contributions from political action committees and

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changes in the due dates for campaign finance reports, which will allow more time for public scrutiny.

My strongest support for H.B. 2359, however, is a result of my role as this state's chief elections official.

I believe the main cause of voter apathy and citizen distrust of our government officials is the perception that well-funded political action committees pump unlimited amounts of money into incumbent campaign war chests, making those candidates virtually unbeatable and, at the same time, more responsive to the money that financed them than to the people who voted for them. Elected public officials have an image problem that is undermining citizen interest in and support of our democracy.

This is a perception that responsible elected officials must work to overcome. H.B. 2359 would help to do that with tighter restrictions on contributions and more openness in campaign finance reporting.

I encourage you to support H.B. 2359 as an avenue to rekindle the public trust.

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COMMON CAUSE / KANSAS

701 Jackson, Room B-6 • Topeka, Kansas 66603 • (913) 235-3022

Statement in Support of House Bill 2359
Presented to the Senate Committee on Elections
by Michael Woolf, Executive Director

Common Cause of Kansas rises in support of House Bill 2359. Conceptually, this bill would make a number of significant and useful changes to the Campaign Finance Act. While we want to emphasize our strong support for the bill there are a number of amendments that we would like the Committee to consider, and I provided a section-by-section analysis of our suggested amendments along with a balloon version of the bill showing specific language changes we recommend.

In the interest of time, I won't go into the attached analysis of the bill. Instead, I would like to explain why this bill is necessary and the problems that the proposed changes will correct.

Local Campaign Finance Disclosure

First, New Section 1(a) extends the campaign finance reporting system to candidates for local office. This section of the bill has probably caused the most controversy and confusion on the House side.

With regard to current law the statutes only provide for disclosure of expenditures after an election. Public access to campaign funding information is only useful before an election and if the source of the contribution is identified.

Many candidates for local office are raising tens of thousands of dollars and state law does not require them to disclose any of the sources of that money. That is hardly in the spirit of disclosure laws.

It has been said that this provision will discourage candidates from running for office. Common Cause would not support any legislation that would have that affect. For the small races like in 3rd class cities, small county commission races or school boards, candidates who spend less than \$500 need only report their name address, phone number and the office that they are seeking on an exemption report and have it notarized. This is not enough to discourage anyone from running for office. But, if a candidate plans to raise or spend more than that amount, the public has a right to know who is supporting his or her candidacy and what interests they represent.

It has also been argued that since some locally elected officials are not paid they should not have to file disclosure reports. But an officials' salary has nothing to do with the need for disclosure. The amount of tax money that they control is the factor that calls for disclosure--not salary.

This bill would actually require fewer candidates to file than are required to file under current law because of the \$500 exemption. But when they exceed that limit; full and timely disclosure is necessary.

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A good example of this happened in my own family. When I was a freshman in high school, my father ran for the Cheney School Board. He spent a total of \$10 and was elected. But, if he had spent \$510 to get elected the citizens of Cheney should have the right to know where that money came from. Did it come from one of the two fuel suppliers in town that wanted to sell all the fuel for the school system? Did it come from a textbook supplier? An office or paper supply company? This is the kind of information that should be available to voters before they make their selection.

One final comment on local candidate disclosure. In our analysis and on the balloon we have asked the committee to consider placing limits on the amount of money that local candidates can accept--as state law now requires of other candidates. A perfect example of the need for this happened in a Mayors' race this month where a candidate accepted a contribution of \$8,000 from a single interest group. That is 16 times the amount that this bill would allow you to accept. As written this bill would allow a single, wealthy, special interest group to totally fund any local candidate or even a group of candidates for a single school board, city council or county commission. This kind of a hole in the law is certainly not in the public's best interest.

PAC Limitations

Next I would like to discuss the original New Section 1 that was removed by the House Committee. It basically stated that a candidate cannot accept more money from PACs than from individual citizens. Common Cause strongly supports this proposal, as we have supported all proposals that will curb the rapid growth of the financial involvement of PACs in the election process.

If enacted this provision would address many of the problems with the current system of financing legislative campaigns.

First it would decrease the heavy reliance by many candidates on PACs to fund most of their campaign. It would encourage candidates to get many small contributions from their current or prospective constituents, and help those individuals feel that their contribution makes a difference.

Common Cause, and the public in general, is very concerned about the power, real and potential, placed in the hands of PACs and the special interests they represent. Money can buy access and influence. If it didn't PACs would not have put over \$1.5 million into legislative races in 1988. Nor would they have given an average of \$3,656 to uncontested Senate candidates in 1984. Unfortunately, PACs represent only segments of the many interests found in society. Thus, PACs tend to distort the overall public interest and, as PAC money increases, public concern about the integrity of our political system grows.

✓It is true that PACs represent another way for individuals to contribute to political campaigns. But when individual giving is pooled into PAC funds, the individual no longer decides who is to receive his or her contribution. Instead, the decision is based on the PAC's narrow interest and is made by the PAC's leaders.

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✓ Common Cause members realize that it is easier to get campaign funds from PACs than by asking for many small individual citizen contributions. And once PACs have provided enough funds for a campaign, there is not much incentive to seek out individual contributions. If we want to maintain respect and support for our electoral system, it is a wise move to take steps that can help citizens feel that their contributions carry some weight in the halls of government.

One step in the right direction is to reduce the amount of money that PACs can give to candidates and encourage greater reliance on citizen financial support in elections. For the same reasons we also support the lower contribution limits proposed in Section 8.

Other Issues

New Section 1(b) requires candidates who file campaign finance reports with the Secretary of State, to also file a copy of their report in the counties where the campaign is conducted.

Full and timely disclosure of campaign financing is not well served when all reports are filed here in Topeka. Currently it is difficult for both citizens and the media to gain access to this information. Common Cause supports filing reports locally because it would allow local citizens and local media a reasonable opportunity to review reports before elections -- which is the major intent of the law.

There has been some concern over additional work and cost for candidates who represent several counties. The largest district represents 12 counties. If a candidate for that district has a 10 page report, that comes to 120 copies or a cost of \$6.00. If you add in postage at 65 cents each, it brings the total cost to \$13.80 per reporting period. It would take two to three hours of time at the most to make the copies and put them in an envelope. A maximum of three hours work and 14 dollars in printing and postage is not too much to ask a candidate to contribute to provide full and timely disclosure of campaign finance information to his or her prospective constituents.

New Section 2 attempts to prohibit transferring money from a campaign fund to the candidate for personal use. Common Cause is currently supporting a similar proposal at the national level, and our concern in this area carries down to the state. But New Section 2 only prohibits the transfer of the final report balance. This would allow a candidate to transfer the money any time before the final report; therefore, not correcting the potential abuses. We have proposed more specific language in our balloon.

This cuts right to the heart of another problem we have seen recently. Just last week a Representative who decided not to run for reelection filed his final report and put \$7,735 into his pocket. And last January a Representative was appointed to another position and put nearly \$8,000 in his personal bank account.

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These funds are contributed to help further an individual's candidacy; not as a retirement or vacation fund.

While I have not discussed all of the provisions in the bill they are covered in our section-by-section analysis and any changes that we would like to see made are included on the balloon. In closing, I would like to repeat that Common Cause strongly supports House Bill 2359. If enacted these changes would open up the election process by better disclosure of campaign finance information, reduce the influence that special interest PAC donations can have on elected officials, and provide better enforcement of regulations.

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COMMON CAUSE / KANSAS

701 Jackson, Room B-6 • Topeka, Kansas 66603 • (913) 235-3022

Section-by-Section Analysis of House Bill 2359
Presented to the Senate Committee on Elections
by Michael Woolf, Executive Director

New Section 1

New Section 1(a) extends the campaign finance reporting system to candidates for local office.

Current Law

K.S.A. 25-901, 25-904, 25-905 set up two different standards for local reporting:

1) K.S.A. 25-901 is for campaigns that have committees. They must have a treasurer who keeps a "detailed account" of money received and spent. This is to be filed annually with the county election officer, and the report must show who gave the money, who it went to, and for what purpose it was given. The report is to be filed by December 31 and cover the year between December 1 and November 30; and

2) K.S.A. 25-904 is for candidates. Local candidates must file an "itemized statement" of all expenditures 30 days after each election. They do not have to list contributions, but by law are required to itemize expenditures even if they spend only \$5. If they have not made any expenditures, they must file a statement to that effect with the county official.

K.S.A. 25-905 is the penalty section for 25-904. It states that a person who fails to file can be fined up to \$1000. If convicted of this misdemeanor, the person must vacate any office held and is forbidden from holding office again for two years. Enforcement is the responsibility of local officials.

Problems with New Section 1(a) of HB 2359

1) HB 2359 does not repeal the existing local reporting statutes for the offices specified in the definition of a local office. This would result in two different reporting requirements for the candidates.

2) Lines 35-37 state that local candidates are required to file the same reports on the same dates as state candidates, but state candidates are not required to file reports. They must appoint a treasurer (25-4144) who is required to file reports, and local candidates are not required to appoint a treasurer.

3) This language also puts the legal burden to file reports on the local candidate, whereas the treasurer is responsible to file reports for candidates for state office.

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4) The annual report for local candidates would also be due on January 10. This is eight months after many local elections are over. For administrative efficiency and better public access, the annual report should be due approximately a month to a month and a half after the election--as it is for state candidates.

These problems need to be addressed if the true intent of New Section 1(a), to require local candidate reporting, is to be realized.

Common Cause Proposal on Local Candidate Campaign Disclosure

Included on the balloon I handed out is our proposal detailing how the bill can be amended to accomplish local candidate reporting. Basically, it includes the seven following changes:

1) Amends provisions of SB 260 into HB 2359 and deletes New Section 1(a) from HB 2359 and all internal changes that refer to local candidate campaign disclosure;

2) Repeals K.S.A. 25-901, 25-904, and 25-905. This would leave candidates for township offices exempt from filing any kind of disclosure reports. Common Cause would not object to that;

3) Allows the Public Disclosure Commission to give advisory opinions. Language for this came from New Sec. 15 of HB 2134;

4) Defines a local candidate as a candidate for any elective office of a city, county, community college district, school district, and the board of public utilities. These are the offices that the House included in their definition;

5) Allows annual filing, which HB 2359 contains at this time;

6) Includes some type of limitation on contributions, as state law now requires of other candidates; and

7) The Public Disclosure Commission would be responsible for carrying out enforcement of this proposal, for which they would need additional staff.

New Section 1(b) requires candidates who file campaign finance reports with the Secretary of State, to also file a copy of their report with the local county election officer in the county or counties where the campaign is conducted. However, "pursuant to this section" in line 41 and "prescribed by subsection (a)" in line 42 need to be cross referenced to K.S.A. 25-4148.

New Section 2

New Section 2 attempts to prohibit transferring money from a campaign fund to

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the candidate for personal use. But New Section 2 only prohibits the transfer of the final report balance. This would allow a candidate to transfer the money any time before the final report; therefore, not correcting the potential abuses.

We would like to ask the Committee to substitute the language on our balloon for New Section 2. This language comes from the model law drawn up by the Council on Governmental Ethics Laws (COGEL). COGEL is made up of the public disclosure commission members and staff from across the nation. Their language states that any funds that are not otherwise obligated for the payment of expenses for the campaign shall be given to the state general fund, returned to all contributors pro rata, given to a political party, or any combinations of those options.

New Section 3

New Section 3 requires the Public Disclosure Commission to provide a list of PACs to the local county election officials. The list would contain the PAC's registered name and the name of the organization with which the PAC is connected or affiliated. But if the PAC is not affiliated with an organization, the public will still not know what interests the PAC advocates or opposes. We would suggest using the language in K.S.A. 25-4145, which asks for the full name of the affiliated organization, the name or sufficient description of the affiliation, or if the committee is not affiliated with an organization, the trade, profession, or primary interest of the contributors to the PAC.

Section 5 and Section 6

These two sections were added on the floor of the House and set up a structure to allow the Public Disclosure Commission to hire a new full-time report examiner. Over the years, we have seen a dramatic increase in the number of PACs and lobbyists. We have also witnessed ever increasing amounts of money that goes into political campaigns. All of this leads to more work for the Commission's staff. Another staff member would increase their effectiveness in carrying out their duties.

Section 7

Section 7 deals with reporting dates and deadlines for campaign finance information.

It changes the cutoff date to 12 days before an election, and reported eight days before. This would give weekly newspapers the opportunity to report this information before the election, but it also leaves a void of nearly two weeks in which contributions can come in to a candidate, and the public will have no way of knowing the amounts or where that money came from. Therefore, we recommend that if a candidate receives a contribution of \$200 or more after the cutoff date, the contribution be reported to the Secretary of State and the local election officials within 24 hours of when the contribution is received. This would prevent candidates from holding on to contributions until after the cutoff date and keeping that information from the media and the public until after the election is over.

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Common Cause would also like to see the occupation of all individual contributors listed whenever the contribution is itemized. This can be done by adding "and occupation" to line 313 after "address". This is also on your balloon. This is a matter of providing full disclosure about sources of funds, which Common Cause supports now as we have in the past. Reporting occupations of contributors is required in federal campaign finance laws, and it is presently required in Kansas for contributions made in campaigns involving constitutional amendments. This is helpful for crosschecking and understanding the sources of campaign funds.

Section 8

Two changes in the current contribution limits have been proposed in Section 8:

- 1) Decrease from \$3000 to \$2000 the amount of money that a person may contribute to statewide candidates for each election; and
- 2) Reduce the limit on PAC contributions from \$750 to \$500 for candidates for Senator, Representative, District and District Magistrate Judge, District Attorney, and members of the State Board of Education.

Section 9

Section 9 deals with exemption from filing reports for candidates who plan to raise or spend less than \$500 for their campaign. We have one small change that we would like to propose. Since we will be requiring campaign finance reports to be filed at the local level, we think that it would be appropriate to also file the exemption reports locally. This could be done by changing line 421 to "an affidavit of such intent with the secretary of state and the county election officer of the county or counties in which the campaign is conducted for state offices".

Action taken by House Committee

We would also like to ask the Committee to reinstate two sections that the House Committee removed from the bill:

1) Original New Section 1 basically states that a candidate cannot accept more money from political action committees (PACs) than from individual citizens. We have a concern as to who would be included as an "individual". If, as written, an "individual" would include a candidate and a candidate's spouse, we would ask that you include language that would prevent these contributions to their own campaign from being included in the equation.

2) Original Section 6 makes two changes to the Public Disclosure Commission. First, it increases the number of Commissioners from five to seven members, with the two additional members being appointed by the governor.

There are two minor technical changes that should be noted. First, it states that two appointees will serve two year terms ending in

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even-numbered years, and that one appointee will serve a two year term ending in even-numbered years. One of these needs to be changed to odd-numbered years so that all three are not serving the same term. It also states that The member appointed by the governor shall be the chairperson. Since he will now be appointing three people, it needs to be changed to "The governor shall designate one of his appointees as chairperson of the commission.

Section 6 also required the Public Disclosure Commission to appoint an executive director. It would not require the hiring of an additional staff member. The Commission could simply designate a current staff person. This is necessary to improve the administrative capacity of the agency. Currently, the Commission operates with a small staff -- too small to do all the things it needs to do. They need one person who is in charge and able to direct the time of all personnel into the most needed areas of activity. The best campaign finance laws enacted will not achieve their purposes if the staff is incapable of carrying out all of the responsibilities. We also believe that the Public Disclosure Commission should be authorized to hire sufficient staff to carry out the enforcement of the local candidate disclosure sections of this proposal.

And finally in original Section 6, we would like to suggest some requirements for people who are allowed to serve on the Commission. We would suggest language that would prohibit a person who is currently, or has within the last year, been: a candidate; a lobbyist; a chairperson or treasurer of a candidate, party, or political committee; a state officer or employee; or a local official or employee that comes under the jurisdiction of the Commission. We do not believe a person who is regulated by a commission should also be allowed to sit on that very same commission. That is a direct conflict of interest.

Conclusion

There are also two amendments to the bill in general that we believe are necessary:

- 1) amend the penalty section of the Act, K.S.A. 25-4171 to include violation of New Sections 1 and 2 as class A misdemeanors; and
- 2) amend the title section of the Act, K.S.A. 25-4142 to include New Sections 1 through 3 so they are included when referring to the "Campaign Finance Act".

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[As Amended by House Committee of the Whole]

As Amended by House Committee

Session of 1989

HOUSE BILL No. 2359

By Representatives Baker, Goossen, Helgerson,
R.H. Miller, O'Neal, Sader, Sawyer and Sebelius

2-9

COMMON CAUSE/KANSAS
701 Jackson, Room B-6
Topeka, KS 66603

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20 AN ACT concerning elections; affecting the campaign finance act;
21 [requiring registration of political committees and prescribing a
22 fee therefor;] extending the provisions to ~~counties, cities and~~
23 ~~school districts;~~ [certain local units of government;] making cer-
24 tain acts unlawful and providing penalties for violations; [creating
25 the public disclosure commission fee fund;] amending K.S.A. 25-
26 4110a, 25-4143, [25-4145,] 25-4148, 25-4153 and 25-4173, and
27 repealing the existing sections.
28

29 *Be it enacted by the Legislature of the State of Kansas:*

30 ~~New Section 1. No candidate or candidate committee may~~
31 ~~receive total contributions from political committees which ex-~~
32 ~~ceed the total of contributions from individuals in any election~~
33 ~~period.~~

34 ~~Violation of this section is a class A misdemeanor.~~

35 ~~New Sec. 2 New Section 1. (a) Local candidates shall file the~~
36 ~~same reports on the same dates as required of state candidates under~~
37 ~~the campaign finance act. Reports shall be filed with the county~~
38 ~~election officer.~~

39 ~~(b) Every treasurer of a candidate or a candidate committee for~~
40 ~~other than a statewide election who is required to file a report in~~
41 ~~the office of the secretary of state pursuant to this section shall file~~
42 ~~a copy thereof at the times prescribed by subsection (a) in the office~~
43 ~~of the county election officer of the county or counties in which the~~
44 ~~campaign is conducted. The county election officer shall retain all~~
45 ~~reports so filed until December 31 of the following year in which~~
46 ~~filed.~~

47 ~~New Sec. 3. When a report is made under this act and the~~

K.S.A. 25-4148

K.S.A. 25-4148

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48 amount being contributed by an individual is \$200 or more,
49 the report shall list the occupation of the individual contributor.

50 New Sec. 4 2. ~~Any unexpended balance of any candidate on~~
51 ~~their final report shall not be made available for the personal use~~
52 ~~of the candidate. -~~

53 New Sec. 5 3. The Kansas public disclosure commission shall
54 compile a list of the full name of all political committees which have
55 filed statements of organization with the secretary of state. The list
56 shall contain the registered name of the political committee as well
57 as the full name of the organization with which the political com-
58 mittee is connected or affiliated. At times selected by the commis-
59 sion, a copy of such list shall be sent to each county election officer
60 and the secretary of state to be publicly posted.

61 Sec. 6. K.S.A. 25-4110a is hereby amended to read as fol-
62 lows: 25-4110a. (a) The governmental ethics commission ere-
63 ated by this section prior to the effective date of this act and
64 in existence in March, 1981 is hereby abolished, and There is
65 hereby created the Kansas public disclosure commission, which
66 shall be the successor in every respect to the powers, duties
67 and functions of the governmental ethics commission so abol-
68 ished. The Kansas public disclosure commission shall consist
69 of five ~~seven~~ members of whom one ~~three~~ shall be appointed
70 by the governor, one by the president of the senate, one by
71 the speaker of the house of representatives, one by the minority
72 leader of the house of representatives and one by the minority
73 leader of the senate. The terms of such members shall be as
74 follows: The members first appointed by the governor, the
75 speaker of the house of representatives and the president of
76 the senate shall serve until January 31, 1983 ~~have two year~~
77 ~~terms ending on January 31 of odd-numbered years~~; and the
78 members first appointed by the minority leader of the house
79 of representatives and by the minority leader of the senate shall
80 serve until January 31, 1982 ~~have two year terms ending Jan-~~
81 ~~uary 31 of even-numbered years~~; and of the members ap-
82 pointed by the governor two shall have two year terms ending
83 January 31 of even-numbered years and one shall have two
84 year terms ending in even-numbered years. When making the

A candidate whose candidate committee has an unexpended balance of funds not otherwise obligated for the payment of expenses incurred to further the candidate's candidacy shall designate how the surplus funds are to be distributed. The surplus funds shall:

- (a) escheat to the general fund;
- (b) be returned pro rata to all contributors;
- (c) in the case of a partisan candidate, be transferred to the state or local central committee of the political party of which the candidate is a member; or
- (d) be distributed using a combination of these options.

or, name or description sufficiently describing the affiliation or, if the committee is not connected or affiliated with any one organization, the trade, profession or primary interest of contributors of the political committee

85 *appointments the governor shall designate which of the ap-*
86 *pointees is to have which term. Of the governors appointees,*
87 *no more than two shall be of the same political party.*

88 (b) The terms of all subsequently appointed members shall
89 be two years commencing on February 1 of the appropriate
90 years. Vacancies occurring on the commission shall be filled
91 for the unexpired term by the same appointing officer as made
92 the original appointment. Members shall serve until their suc-
93 cessors are appointed and qualified. The member appointed
94 by the governor shall be the chairperson of the commission. A
95 majority vote of three ~~four~~ members of the commission shall
96 be required for any action of the commission. The commission
97 may adopt rules to govern its proceedings and may provide for
98 such officers other than the chairperson as it may determine.
99 The commission shall meet at least once each quarter, and also
100 shall meet on call of its chairperson or any two members of
101 the commission. Members of the commission attending meet-
102 ings of such commission, or attending a subcommittee meeting
103 thereof authorized by such commission, shall be paid compen-
104 sation, subsistence allowances, mileage and other expenses as
105 provided in subsections (a) to (d), inclusive, of K.S.A. 75-3223
106 and amendments thereto. The commission may *shall* appoint
107 an executive director who shall be in the unclassified service
108 and receive compensation fixed by the commission, in accord-
109 ance with appropriation acts of the legislature, subject to ap-
110 proval by the governor. The commission may employ such
111 other staff and attorneys as it determines, within amounts ap-
112 propriated to the commission, all of whom shall be in the
113 unclassified service and shall receive compensation fixed by
114 the commission and not subject to approval by the governor.

115 (c) The Kansas public disclosure commission may adopt
116 rules and regulations for the administration of the campaign
117 finance act. Subject to K.S.A. 25-4178, rules and regulations
118 adopted by the governmental ethics commission created prior
119 to this act shall continue in force and effect and shall be
120 deemed to be the rules and regulations of the commission
121 created by this section of this enactment, until revised;

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122 amended, repealed or nullified pursuant to law. All rules and
123 regulations of the commission shall be subject to the provisions
124 of article 4 of chapter 77 of Kansas Statutes Annotated. The
125 Kansas public disclosure commission shall continue to admin-
126 ister all of the acts administered by the governmental ethics
127 commission to which it is successor.

128 (d) The commission shall submit an annual report and rec-
129 ommendations in relation to all acts administered by the com-
130 mission to the governor and to the legislative coordinating
131 council on or before December 1 of each year. The legislative
132 coordinating council shall transmit such report and recommen-
133 dations to the legislature.

134 (e) The provisions of the Kansas sunset law shall apply to
135 the Kansas public disclosure commission and to the office of
136 the executive director of the commission.

137 Sec. 7 4. K.S.A. 25-4143 is hereby amended to read as follows:
138 25-4143. As used in the campaign finance act, unless the context
139 otherwise requires:

140 (a) "Candidate" means an individual who: (1) Appoints a treasurer
141 or a candidate committee,

142 (2) makes a public announcement of intention to seek nomination
143 or election to state ~~or local~~ office,

144 (3) makes any expenditure or accepts any contribution for the
145 purpose of influencing such person's nomination or election to any
146 state ~~or local~~ office, or

147 (4) files a declaration or petition to become a candidate for state
148 ~~or local~~ office.

149 (b) "Candidate committee" means a committee appointed by a
150 candidate to receive contributions and make expenditures for the
151 candidate.

152 (c) "Commission" means the Kansas public disclosure commission
153 created by K.S.A. 25-4119a, ~~as amended and amendments thereto.~~

154 (d) (1) "Contribution" means: (A) Any advance, conveyance, de-
155 posit, distribution, gift, loan or payment of money or any other thing
156 of value made for the purpose of influencing the nomination or
157 election of any individual to state ~~or local~~ office;

158 (B) a transfer of funds between any two or more candidate com-

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159 mittees, party committees or political committees;
 160 (C) the payment, by any person other than a candidate, candidate
 161 committee, party committee or political committee, of compensation
 162 to an individual for the personal services rendered without charge
 163 to or for a candidate's campaign or to or for any such committee;
 164 (D) the purchase of tickets or admissions to, or advertisements
 165 in journals or programs for, testimonial events.
 166 (2) "Contribution" does not include:
 167 (A) The value of volunteer services provided without
 168 compensation;
 169 (B) costs to a volunteer related to the rendering of volunteer
 170 services not exceeding a fair market value of \$50 during an allocable
 171 election period as provided in K.S.A. 25-4149 *and amendments*
 172 *thereto*;
 173 (C) payment by a candidate or candidate's spouse for personal
 174 meals, lodging and travel by personal automobile of the candidate
 175 or candidate's spouse while campaigning;
 176 (D) the value of goods donated to events such as testimonial
 177 events, bake sales, garage sales and auctions by any person not
 178 exceeding a fair market value of \$50 per event.
 179 [(3) "Contribution" includes all payments made by a person
 180 whose contribution or expenditure activity is financed, maintained,
 181 or controlled by a corporation, labor organization, association, or
 182 any other person or committee, including a parent, subsidiary,
 183 branch, division, department, or local unit of the corporation, labor
 184 organization, association, or any other person, or by a group of
 185 such persons are considered made by the same person.]
 186 (e) "Election" means: (1) A primary or general election for state
 187 ~~or local~~ office and (2) a convention or caucus of a political party held
 188 to nominate a candidate for state ~~or local~~ office.
 189 (f) (1) "Expenditure" means: (A) Any purchase, payment, distri-
 190 bution, loan, advance, deposit or gift of money or any other thing
 191 of value made for the purpose of influencing the nomination or
 192 election of any individual to state ~~or local~~ office;
 193 (B) any contract to make an expenditure;
 194 (C) a transfer of funds between any two or more candidate com-
 195 mittees, party committees or political committees;

)))

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196 (D) payment of a candidate's filing fees.

197 (2) "Expenditure" does not include:

198 (A) the value of volunteer services provided without
199 compensation;

200 (B) costs to a volunteer incidental to the rendering of volunteer
201 services not exceeding a fair market value of \$50 during an allocable
202 election period as provided in K.S.A. 25-4149 *and amendments*
203 *thereto*;

204 (C) payment by a candidate or candidate's spouse for personal
205 meals, lodging and travel by personal automobile of the candidate
206 or candidate's spouse while campaigning or payment of such costs
207 by the treasurer of a candidate or candidate committee;

208 (D) the value of goods donated to events such as testimonial
209 events, bake sales, garage sales and auctions by any person not
210 exceeding fair market value of \$50 per event; or

211 (E) any communication by an incumbent elected state ~~or local~~
212 officer with one or more individuals unless the primary purpose
213 thereof is to influence the nomination or election of a candidate.)))

214 (g) "Party committee" means the state committee of a political
215 party regulated by article 3 of chapter 25 of the Kansas Statutes
216 Annotated, or the county central committee or the state committee
217 of a political party regulated under article 38 of chapter 25 of the
218 Kansas Statutes Annotated or the bona fide national organization or
219 committee of those political parties regulated by the Kansas Statutes
220 Annotated.

221 (h) "Person" means any individual, committee, corporation, part-
222 nership, trust, organization or association.

223 (i) "Political committee" means any combination of two or more
224 individuals or any person other than an individual, a major purpose
225 of which is to support or oppose any candidate for state ~~or local~~
226 office, but not including any candidate committee or party
227 committee.

228 (j) "Receipt" means a contribution or any other money or thing
229 of value, but not including volunteer services provided without com-
230 pensation, received by a treasurer in the treasurer's official capacity.)))

231 (k) "State office" means any state office as defined in K.S.A. 25-
232 2505 *and amendments thereto*.

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233 (l) "Testimonial event" means an event held for the benefit of
234 an individual who is a candidate to raise funds for such candidate's
235 campaign. Testimonial events include but are not limited to dinners,
236 luncheons, rallies, barbecues and picnics.

237 (m) "Treasurer" means a treasurer of a candidate or of a candidate
238 committee, a party committee or a political committee appointed
239 under the campaign finance act or a treasurer of a combination of
240 individuals or a person other than an individual which is subject to
241 paragraph (2) of subsection (a) of K.S.A. 25-4172 *and amendments*
242 *thereto.*

243 ~~(n) "Local office" means an elective office of a city, county, com-~~
244 ~~munity college district or school district and any locally elective~~
245 ~~judicial office [and the board of public utilities].~~

246 [Sec. 5. K.S.A. 25-4145 is hereby amended to read as follows:
247 25-4145. (a) Each party committee and each political committee
248 which anticipates receiving contributions or making expenditures
249 shall appoint a chairperson and a treasurer. The chairperson of
250 each such committee shall make a statement of organization and
251 file it with the secretary of state not later than 10 days after
252 establishment of such committee.

253 [(b) Every statement of organization shall include:

254 [(1) The name and address of the committee;

255 [(2) the names and addresses of the chairperson and treasurer
256 of the committee;

257 [(3) the names and addresses of affiliated or connected orga-
258 nizations; and

259 [(4) in the case of a political committee, the full name of the
260 organization with which the committee is connected or affiliated or,
261 name or description sufficiently describing the affiliation or, if the
262 committee is not connected or affiliated with any one organization,
263 the trade, profession or primary interest of contributors of the
264 political committee.

265 [(c) Any change in information previously reported in a state-
266 ment of organization shall be reported on a supplemental statement
267 of organization and filed not later than 10 days following the change.

268 [(d) Each political committee which anticipates receiving contri-
269 butions or making expenditures shall register annually with the com-



270 mission on or before July 1, 1989, and on or before each July 1
 271 thereafter. Each political committee registration shall be in the form
 272 and contain such information as may be required by the commission.
 273 Each such registration shall be accompanied by the annual regis-
 274 tration fee of \$100. All such fees received by or for the commission
 275 shall be remitted to the state treasurer at least monthly. Upon receipt
 276 of each such remittance, the state treasurer shall deposit the entire
 277 amount in the state treasury to the credit of the public disclosure
 278 commission fee fund.

279 [New Sec. 6. There is hereby established in the state treasury
 280 the public disclosure commission fee fund. All moneys credited to
 281 the public disclosure commission fee fund shall be used for the
 282 operations of the Kansas public disclosure commission in the per-
 283 formance of powers, duties and functions under the campaign fi-
 284 nance act. All expenditures from the public disclosure commission
 285 fee fund shall be made in accordance with the provisions of ap-
 286 propriations acts and upon warrants of the director of accounts and
 287 reports issued pursuant to vouchers approved by the chairperson
 288 of the commission or the chairperson's designee.]



289 Sec. 8 5-[7]. K.S.A. 25-4148 is hereby amended to read as fol-
 290 lows: 25-4148. (a) Every treasurer shall file a report prescribed by
 291 this section in the office of the secretary of state so that it is received
 292 by that office on or before each of the following days:

293 (1) The ~~sixth~~ eighth day preceding the primary election, which
 294 report shall be for the period beginning on ~~December~~ January 1
 295 of the ~~preceding~~ election year for the office the candidate is seeking
 296 and ending ~~11~~ 12 days before the primary election, inclusive;

297 (2) the ~~sixth~~ eighth day preceding a general election, which re-
 298 port shall be for the period beginning ~~10~~ [11] days before the primary
 299 election and ending ~~11~~ 12 days before the general election, inclusive;
 300 and

301 (3) ~~December~~ January 10 after an election year, which report
 302 shall be for the period beginning ~~10~~ [11] days before the general
 303 election and ending on ~~November 30~~ December 31, inclusive;

304 (4) for any calendar year when no election is held, a report shall
 305 be filed on the next January 10 for the preceding calendar year[;
 306 except that the report filed January 10, 1990, shall include in ad-



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307 dition to calendar year 1989 the month of December 1988];

308 (5) a treasurer need only file the annual report required by
309 subsection (4) for those years when the candidate is not participating
310 in a primary or general election.

311 (b) Each report required by this section shall state:

312 (1) Cash on hand on the first day of the reporting period;

313 (2) the name and address of each person who has made one or
314 more contributions in an aggregate amount or value in excess of \$50
315 during the election period together with the amount and date of
316 such contributions, including the name and address of every lender,
317 guarantor and endorser when a contribution is in the form of an
318 advance or loan;

319 (3) the aggregate amount of all proceeds from bona fide sales of
320 political materials such as, but not limited to, political campaign
321 pins, buttons, badges, flags, emblems, hats, banners and literature;

322 (4) the aggregate amount of contributions for which the name
323 and address of the contributor is not known;

324 (5) each contribution, rebate, refund or other receipt not oth-
325 erwise listed;

326 (6) the total of all receipts;

327 (7) the name and address of each person to whom expenditures
328 have been made in an aggregate amount or value in excess of \$50,
329 with the amount, date, and purpose of each and the names and
330 addresses of all persons to whom any loan or advance has been
331 made; when an expenditure is made by payment to an advertising
332 agency, public relations firm or political consultants for disbursement
333 to vendors, the report of such expenditure shall show in detail the
334 name of each such vendor and the amount, date and purpose of the
335 payments to each;

336 (8) the name and address of each person from whom an in-kind
337 contribution was received or who has paid for personal services
338 provided without charge to or for any candidate, candidate com-
339 mittee, party committee or political committee, if the contribution
340 is in excess of \$50 and is not otherwise reported under subsection
341 (b)(7), and the amount, date and purpose of the contribution;

342 (9) the aggregate of all expenditures not otherwise reported under
343 this section; and

(6) In addition to the other reporting requirements set out in this section, any contribution of \$200 or more made during the period beginning 10 days before the primary and the primary election or during the period beginning 10 days before the general election and the general election, shall be reported within 24 hours of receipt to the Secretary of State and the county election officer of the county or counties in which the election is conducted.

and occupation

344 (10) the total of expenditures.

345 (c) Treasurers of candidates and of candidate committees shall be
346 required to itemize, as provided in subsection (b)(2), only the pur-
347 chase of tickets or admissions to testimonial events by a person who
348 purchases such tickets or admissions in an aggregate amount or value
349 in excess of \$50 per event, or who purchases such a ticket or ad-
350 mission at a cost exceeding \$25 per ticket or admission. All other
351 purchases of tickets or admissions to testimonial events shall be
352 reported in an aggregate amount and shall not be subject to the
353 limitations specified in K.S.A. 25-4154 and amendments thereto.

354 (d) If a contribution or other receipt from a political committee
355 is required to be reported under subsection (b), the report shall
356 include the full name of the organization with which the political
357 committee is connected or affiliated or, name or description suffi-
358 ciently describing the affiliation or, if the committee is not connected
359 or affiliated with any one organization, the trade, profession or pri-
360 mary interest of contributors of the political committee.

361 (e) The commission may require any treasurer to file an amended
362 report for any period for which the original report filed by such
363 treasurer contains material errors or omissions, and notice of the
364 errors or omissions shall be part of the public record. The amended
365 report shall be filed within 30 days after notice by the commission.

366 (f) The commission may require any treasurer to file a report for
367 any period for which the required report is not on file, and notice
368 of the failure to file shall be part of the public record. Such report
369 shall be filed within five days after notice by the commission.

370 (g) For the purpose of any report required to be filed pursuant
371 to subsection (a) by the treasurer of any candidate seeking nomination
372 by convention or caucus or by the treasurer of the candidate's com-
373 mittee or by the treasurer of any party committee or political com-
374 mittee of which the primary purpose is supporting or opposing the
375 nomination of any such candidate, the date of the convention or
376 caucus shall be considered the date of the primary election.

377 (h) If a report is sent to the office of the secretary of state by
378 certified or registered mail on or before the day it is due, the mailing
379 shall constitute receipt by that office.

380 Sec. 9 6-[8]. K.S.A. 25-4153 is hereby amended to read as fol-

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381 lows: 25-4153. (a) The aggregate amount contributed to a candidate
382 and such candidate's candidate committee and to all party committees
383 and political committees and dedicated to such candidate's campaign,
384 by any person, except a party committee, the candidate or the
385 candidate's spouse, shall not exceed the following:

386 (1) For the pair of offices of governor and lieutenant governor
387 and for other state officers elected from the state as a whole, ~~\$3,000~~
388 [~~\$2,000~~] for each primary election (or in lieu thereof a caucus or
389 convention of a political party) and an equal amount for each general
390 election;

391 (2) for the office of state senator, member of the house of rep-
392 resentatives, district judge, district magistrate judge, district attorney
393 or member of the state board of education, \$750 for each primary
394 election (or in lieu thereof a caucus or convention of a political party)
395 and an equal amount for each general election *except as provided*
396 *in subsection (c) and (d).*

397 (b) For the purposes of this section, the face value of a loan at
398 the end of the period of time allocable to the primary or general
399 election is the amount subject to the limitations of this section. A
400 loan in excess of the limits herein provided may be made during
401 the allocable period if such loan is reduced to the permissible level,
402 when combined with all other contributions from the person making
403 such loan, at the end of such allocable period.

404 (c) *The aggregate amount contributed to a candidate and such*
405 *candidate's candidate committee under subsection (a)(2) shall not*
406 *exceed \$500 for each primary election and an equal amount for each*
407 *general election when contributed by a political committee.*

408 (d) *The aggregate amount contributed to a candidate and*
409 *such candidate's candidate committee by a party committee*
410 *shall not exceed \$1,000 for each primary election (or in lieu*
411 *thereof a caucus or convention of a political party) and an*
412 *equal amount for each general election.*

413 Sec. 10 7-[9]. K.S.A. 25-4173 is hereby amended to read as
414 follows: 25-4173. Every candidate for state ~~or local~~ office who intends
415 to expend or have expended on such person's behalf an aggregate
416 amount or value of less than \$500, exclusive of such candidate's filing
417 fee, and who intends to receive or have received on such person's

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418 behalf contributions in an aggregate amount or value of less than
419 \$500 in each the primary and the general election shall file, prior
420 to the date that the first report for such year is required to be filed,
421 an affidavit of such intent with the secretary of state *for state offices*
422 ~~and the county election officer of the home county for local offices.~~
423 No report required by K.S.A. 25-4148, and amendments thereto,
424 shall be required to be filed by or for such candidate.

425 Sec. ~~11 8~~-[10]. K.S.A. ~~25-4110a~~, 25-4143, [25-4145,] 25-4148,
426 25-4153 and 25-4173 are hereby repealed.

427 Sec. ~~12 9~~-[11]. This act shall take effect and be in force from
428 and after its publication in the statute book [Kansas register].

and with the local county election officer in
the county or counties in which the campaign
is conducted

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SENATE BILL No. 260

By Committee on Elections

2-14

14 AN ACT concerning elections; requiring reporting of certain cam-
15 paign contributions to and expenditures by candidates for county
16 office; prescribing penalties for violations.
17

18 *Be it enacted by the Legislature of the State of Kansas:*

19 Section 1. As used in this act, unless the context otherwise
20 requires:

21 (a) "Candidate" means an individual who:

22 (1) Appoints a treasurer or a candidate committee;

23 (2) makes a public announcement of intention to seek nomination
24 or election to a covered office;

25 (3) makes any expenditure or accepts any contribution for the
26 purpose of influencing such person's nomination or election to a
27 covered office; or

28 (4) files a declaration or petition to become a candidate for a
29 covered office.

30 (b) "Candidate committee" means a committee appointed by a
31 candidate to receive contributions and make expenditures for the
32 candidate.

33 (c) "Commission" means the Kansas public disclosure commission
34 created by K.S.A. 25-4119a and amendments thereto.

35 (d) (1) "Contribution" means:

36 (A) Any advance, conveyance, deposit, distribution, gift, loan or
37 payment of money or any other thing of value made for the purpose
38 of influencing the nomination or election of any individual to a
39 covered office;

40 (B) a transfer of funds between two or more candidate commit-
41 tees, party committees or political committees;

42 (C) the payment, by any person other than a candidate, candidate

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43 committee, party committee or political committee, of compensation
44 to an individual for the personal services rendered without charge
45 to or for a candidate's campaign or to or for such committee; or

46 (D) the purchase of tickets or admissions to, or advertisements
47 in journals or programs for, testimonial events.

48 (2) "Contribution" does not include:

49 (A) The value of volunteer services provided without
50 compensation;

51 (B) costs to a volunteer related to the rendering of volunteer
52 services not exceeding a fair market value of \$50 during an allocable
53 election period as provided in section 7;

54 (C) payment by a candidate or candidate's spouse for personal
55 meals, lodging and travel by personal automobile of the candidate
56 or candidate's spouse while campaigning;

57 (D) the value of goods donated to events such as testimonial
58 events, bake sales, garage sales and auctions by any person not
59 exceeding a fair market value of \$50 per event.

60 (e) "Covered office" means a candidate for ~~member of the board~~
61 ~~of county commissioners of counties in which there is located a city~~
62 ~~of the first class and a candidate for mayor of a city of the first class.~~

an elective office of a city, county, community college
district or school district and the board of public
utilities.

63
64 (f) "Election" means a primary or general election for a covered
65 office.

66 (g) (1) "Expenditure" means: (A) Any purchase, payment, dis-
67 tribution, loan, advance, deposit or gift of money or any other thing
68 of value made for the purpose of influencing the nomination or
69 election of any individual to a covered office;

70 (B) any contract to make an expenditure;

71 (C) a transfer of funds between any two or more candidate com-
72 mittees, party committees or political committees; or

73 (D) payment of a candidate's filing fees.

74 (2) "Expenditure" does not include:

75 (A) the value of volunteer services provided without
76 compensation;

77 (B) costs to a volunteer incidental to the rendering of volunteer
78 services not exceeding a fair market value of \$50 during an allocable
79 election period as provided in section 7;

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80 (C) payment by a candidate or candidate's spouse for personal
81 meals, lodging and travel by personal automobile of the candidate
82 or candidate's spouse while campaigning or payment of such costs
83 by the treasurer of a candidate or candidate committee; or

84 (D) the value of goods donated to events such as testimonial
85 events, bake sales, garage sales and auctions by any person not
86 exceeding fair market value of \$50 per event.

87 (h) "Party committee" means the state committee of a political
88 party regulated by article 3 of chapter 25 of the Kansas Statutes
89 Annotated, or the county central committee or the state committee
90 of a political party regulated under article 38 of chapter 25 of the
91 Kansas Statutes Annotated or the bona fide national organization or
92 committee of those political parties regulated by the Kansas Statutes
93 Annotated.

94 (i) "Person" means any individual, committee, corporation, part-
95 nership, trust, organization or association.

96 (j) "Political committee" means any combination of two or more
97 individuals or any person other than an individual, a major purpose
98 of which is to support or oppose any candidate for county office,
99 but not including any candidate committee or party committee.

100 (k) "Receipt" means a contribution or any other money or thing
101 of value, but not including volunteer services provided without com-
102 pensation, received by a candidate for a candidate's campaign or
103 received by a treasurer in the treasurer's official capacity.

104 (l) "Testimonial event" means an event held for the benefit of
105 an individual who is a candidate to raise funds for such candidate's
106 campaign. Testimonial events include but are not limited to dinners,
107 luncheons, rallies, barbecues and picnics.

108 (m) "Treasurer" means a treasurer of a candidate or of a candidate
109 committee, party committee or political committee.

110 Sec. 2. Not later than 10 days after becoming a candidate, every
111 candidate shall appoint a treasurer or in lieu thereof shall appoint
112 a candidate committee. A candidate may appoint the candidate's self
113 as treasurer. No candidate shall appoint more than one candidate
114 committee to exist at the same time. If a candidate appoints a can-
115 didate committee, such candidate shall appoint a chairperson and a
116 treasurer thereof, and the treasurer so appointed may be the can-

117 didate. The name and address of each treasurer and chairperson
118 appointed under this section shall be reported to the county election
119 officer by the candidate not later than 10 days after appointment.

120 Sec. 3. (a) Each party committee and each political committee
121 which anticipates receiving contributions or making expenditures
122 shall appoint a chairperson and a treasurer. The chairperson of each
123 such committee shall make a statement of organization and file it
124 with the county election officer not later than 10 days after estab-
125 lishment of such committee.

126 (b) Every statement of organization shall include:

127 (1) The name and address of the committee;

128 (2) the names and addresses of the chairperson and treasurer of
129 the committee;

130 (3) the names and addresses of affiliated or connected organi-
131 zations; and

132 (4) in the case of a political committee, the full name of the
133 organization with which the committee is connected or affiliated or,
134 name or description sufficiently describing the affiliation or, if the
135 committee is not connected or affiliated with any one organization,
136 the trade, profession or primary interest of contributors of the po-
137 litical committee.

138 (c) Any change in information previously reported in a statement
139 of organization shall be reported on a supplemental statement of
140 organization and filed not later than 10 days following the change.

141 Sec. 4. (a) A candidate may remove any treasurer or chairperson
142 that such candidate has appointed, and a party committee or political
143 committee may remove its chairperson or treasurer. In case of a
144 vacancy in the position of treasurer of a candidate before all of the
145 obligations of the treasurer have been performed, such candidate
146 shall be such candidate's own treasurer from the date of such vacancy
147 until such time as the candidate appoints a successor and reports
148 the name and address of the treasurer to the county election officer.
149 In case of a vacancy in the position of treasurer of a candidate
150 committee, the candidate shall be treasurer from the date of vacancy
151 or removal, until such time as the candidate appoints a successor
152 and reports the name and address of the treasurer to the county
153 election officer. In case of a vacancy in the position of treasurer of

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154 a party committee or political committee, such committee chairper-
155 son shall be treasurer from the date of vacancy or removal, until
156 such time as the committee appoints a successor and reports the
157 name and address of the treasurer to the county election officer. An
158 individual who vacates the position of treasurer by reason of removal
159 or resignation shall substantiate the accuracy of such person's records
160 to the succeeding treasurer. No resignation of a treasurer shall be
161 effective until a written statement of resignation of such treasurer
162 has been filed with the county election officer. No removal of a
163 treasurer of a candidate or candidate committee shall be effective
164 until a written statement of such removal from the candidate has
165 been filed with the county election officer. No removal of a treasurer
166 of a party committee or political committee shall be effective until
167 a written statement of such removal from the party committee or
168 political committee has been filed with the county election officer.
169 The succeeding treasurer shall not be held responsible for the ac-
170 curacy of the predecessor treasurer's records.

171 (b) No contribution or other receipt shall be received or ex-
172 penditure made, by or on behalf of a candidate or candidate com-
173 mittee, except receipt or payment of a filing fee:

174 (1) Until such candidate appoints a treasurer and makes the re-
175 port required by section 2; and

176 (2) unless by or through such treasurer.

177 (c) No contribution or other receipt shall be received or ex-
178 penditure made by or on behalf of a party committee or political
179 committee:

180 (1) Until the chairperson of the party committee or a political
181 committee has filed a statement of organization required by section
182 3; and

183 (2) unless by or through the treasurer of such committee.

184 Sec. 5. (a) Every treasurer shall keep detailed accounts of all
185 contributions and other receipts received and all expenditures made
186 by or on behalf of the treasurer's candidate or committee.

7 (b) Accounts of any treasurer may be inspected under conditions
58 determined by the district attorney or county attorney, and shall be
189 preserved for a period to be designated by the commission.

190 (c) An individual may serve as treasurer for a candidate, candidate

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191 committee, party committee or political committee or of any two or
192 more such committees or candidates.

193 (d) Every person who receives a contribution for a candidate,
194 candidate committee, party committee or political committee more
195 than 10 days prior to the ending date of any period for which a
196 report is required by section 6, on demand of the treasurer, or in
197 any event on or before the ending date of the reporting period, shall
198 remit the same and render to the treasurer an account thereof,
199 including the amount, the name and address of the person, if known,
200 making the contribution and the date received.

201 (e) No contribution or other receipt received by a candidate,
202 candidate committee, party committee or political committee shall
203 be commingled with personal funds of the candidate or the treasurer
204 or other officers or members of such committee.

205 (f) No candidate, candidate committee, party committee or po-
206 litical committee shall receive any contribution or other receipt from
207 a political committee unless accompanied by the full name of the
208 organization with which the political committee is connected or af-
209 filiated or, name or description sufficiently describing the affiliation
210 or, if the political committee is not connected or affiliated with any
211 one organization, the trade, profession or primary interest of con-
212 tributors of the political committee.

213 Sec. 6. (a) Every treasurer shall file a report prescribed by this
214 section in the office of the county election officer so that it is received
215 by that office on or before each of the following days:

216 (1) The ~~sixth~~ day preceding the primary election, which report eighth
217 shall be for the period beginning on ~~December~~ 1 of the preceding January
218 election year for the office the candidate is seeking and ending 10 12
219 days before the primary election, inclusive;

220 (2) the ~~sixth~~ day preceding a general election, which report shall eighth
221 be for the period beginning 10 days before the primary election and 11
222 ending 10 days before the general election, inclusive; and 12

223 (3) ~~the 30th day~~ after a general election, which report shall be January 10
224 for the period beginning 9 days before the general election and 11
225 ending on ~~the 30th day~~ after the general election, inclusive. December 31

226 (b) Each report required by this section shall state:

227 (1) Cash on hand on the first day of the reporting period; (c)

(b) Every treasurer of a covered candidate or candidate committee except for county office shall file a report prescribed by this section in the office of the county election officer so that it is received by that office on or before each of the following days:

(1) The eighth day preceding the primary election, which report shall be for the period beginning June 1 of the election year for the office the candidate is seeking and ending 12 days before the primary election, inclusive;

(2) the eighth day preceding the general election, which report shall be for the period beginning 11 days before the primary election and ending 12 days before the general election, inclusive;

(3) June 10 after a general election, which report shall be for the period beginning 11 days before the general election and ending on May 31, inclusive;

(4) for any year when no election is held, a report shall be filed on the next June 10 for the preceding year beginning June 1 and ending on May 31;

(5) a treasurer need only file the annual report required by subsection (4) for those years when the candidate is not participating in a primary or general election.

for a candidate or candidate committee for county office

(4) for any calender year when no election is held, a report shall be filed on the next January 10 for the preceding calender year;

(5) a treasurer need only file the annual report required by subsection (4) for those years when the candidate is not participating in a primary or general election.

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228 (2) the name and address of each person who has made one or
229 more contributions in an aggregate amount or value in excess of \$50
230 during the election period together with the amount and date of
231 such contributions, including the name and address of every lender,
232 guarantor and endorser when a contribution is in the form of an
233 advance or loan;

234 (3) the aggregate amount of all proceeds from bona fide sales of
235 political materials such as, but not limited to, political campaign
236 pins, buttons, badges, flags, emblems, hats, banners and literature;

237 (4) the aggregate amount of contributions for which the name
238 and address of the contributor is not known;

239 (5) each contribution, rebate, refund or other receipt not oth-
240 erwise listed;

241 (6) the total of all receipts;

242 (7) the name and address of each person to whom expenditures
243 have been made in an aggregate amount or value in excess of \$50,
244 with the amount, date and purpose of each and the names and
245 addresses of all persons to whom any loan or advance has been
246 made; when an expenditure is made by payment to an advertising
247 agency, public relations firm or political consultants for disbursement
248 to vendors, the report of such expenditure shall show in detail the
249 name of each such vendor and the amount, date and purpose of the
250 payments to each;

251 (8) the name and address of each person from whom an in-kind
252 contribution was received or who has paid for personal services
253 provided without charge to or for any candidate, candidate com-
254 mittee, party committee or political committee, if the contribution
255 is in excess of \$50 and is not otherwise reported under subsection
256 (b)(7), and the amount, date and purpose of the contribution;

257 (9) the aggregate of all expenditures not otherwise reported under
258 this section; and

259 (10) the total of expenditures.

260 (c) Treasurers of candidates and of candidate committees shall be
61 required to itemize, as provided in provision (2) of this subsection,
62 only the purchase of tickets or admissions to testimonial events by
263 a person who purchases such tickets or admissions in an aggregate
264 amount or value in excess of \$50 per event, or who purchases such

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265 a ticket or admission at a cost exceeding \$25 per ticket or admission.
266 All other purchases of tickets or admissions to testimonial events
267 shall be reported in an aggregate amount.

268 (d) If a contribution or other receipt from a political committee
269 is required to be reported under subsection (b), the report shall
270 include the full name of the organization with which the political
271 committee is connected or affiliated or, name or description suffi-
272 ciently describing the affiliation or, if the committee is not connected
273 or affiliated with any one organization, the trade, profession or pri-
274 mary interest of contributors of the political committee.

275 (e) If a report is sent to the office of the county election officer
276 by certified or registered mail on or before the day it is due, the
277 mailing shall constitute receipt by that office.

278 Sec. 7. All contributions and other receipts received and ex-
279 penditures made from and including the 30th day following one
280 general election date until and including the next ensuing primary
281 election date shall be allocated to the primary election on such date.
282 All contributions and other receipts received and expenditures made
283 from midnight on the date of a primary election through and in-
284 cluding the 30 days following the date of the next ensuing general
285 election shall be allocated to the general election on such date.

286 Sec. 8. Each candidate shall file a termination report with the
287 county election officer which shall include full information as to the
288 disposition of residual funds. Any report required by section 6 may
289 be a termination report.

290 Sec. 9. Every person, other than a candidate or a candidate
291 committee, party committee or political committee, who makes con-
292 tributions or expenditures, other than by contribution to a candidate
293 or a candidate committee, party committee or political committee,
294 in an aggregate amount of \$100 or more within a calendar year shall
295 make statements containing the information required by section 6,
296 and file them in the county election office so that each such statement
297 is in such office on the day specified in section 6. Reports made
298 under this section need not be cumulative.

299 Sec. 10. (a) Every report or statement made under this act con-
300 tain substantially the following:

301 "I declare that this (report) (statement), including any accompanying

Sec. 7. (a) The aggregate amount contributed to a covered candidate and such candidate's candidate committee and to all party committees and political committees and dedicated to such candidate's campaign, by any person, except a party committee, the candidate or the candidate's spouse, shall not exceed \$500 for each primary election (or in lieu thereof a caucus or convention of a political party) and an equal amount for each general election. (b) For the purpose of this section, the face value of a loan at the end of a period of time allocable to the primary or general election is the amount subject to the limitations of this section. A loan in excess of the limits herein provided may be made during the allocable period if such loan is reduced to the permissible level, when combined with all other contributions from the person making such loan, at the end of such allocable period.

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302 schedules and statements, has been examined by me and to the best
303 of my knowledge and belief is true, correct and complete. I un-
304 derstand that the intentional failure to file this document or inten-
305 tionally filing a false document is a class A misdemeanor."

306 _____
307 (Date) (Signature)

308 Every report or statement shall be dated and signed by: (1) The
309 treasurer for any report required by section 6; (2) the candidate, for
310 any report required by section 2; or (3) the chairperson of the com-
311 mittee, for any statement required by section 3.

312 (b) Records in support of every report or statement filed under
313 this act shall be maintained and preserved by the person who files
314 it for one year.

315 (c) Delay in filing a report or statement beyond the time required
316 by law shall not prevent the acceptance of the report or statement.

317 (d) No treasurer shall accept or permit to be accepted any con-
318 tributions or make or permit to be made any expenditures unless
319 all reports or statements required of such treasurer prior to the time
320 of such contributions or expenditures have been filed.

321 Sec. ~~11~~ (a) The county election officer shall: 12

322 (1) Furnish forms prescribed and provided by the commission
323 for making reports required to be filed under this act; and

324 (2) make such reports and statements available for public in-
325 spection and copying during regular office hours.

326 (b) The commission shall prescribe and provide to each county
327 election officer forms for making reports required to be filed under
328 this act. : (1)

329 Sec. ~~12~~ (a) No person shall make a contribution in the name of 13

330 another person, and no person shall knowingly accept a contribution
331 made by one person in the name of another.

332 (b) No person shall give or accept any contribution in excess of
333 \$10 unless the name and address of the contributor is made known
334 to the individual receiving the contribution.

335 (c) The aggregate of contributions for which the name and address
336 of the contributor is not reported under section 6 shall not exceed
337 \$375.

338 (d) No person shall copy any name of a contributor from any

(2) may investigate, or cause to be investigated, any matter required to be reported upon by any person under the provisions of this act, or any matter to which the act applies irrespective of whether a complaint has been filed in relation there to.

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339 report or statement filed under this act and use such name for any
340 commercial purpose, and no person shall use any name for a com-
341 mercial purpose with knowledge that such name was obtained solely
342 by copying information relating to contributions contained in any
343 report or statement filed under this act.

344 Sec. ~~13~~. (a) Every candidate who intends to expend or have 14
345 expended on such candidate's behalf an aggregate amount or value
346 of less than \$500, exclusive of such candidate's filing fee, and who
347 intends to receive or have received on such person's behalf contri-
348 butions in an aggregate amount or value of less than \$500 in each
349 the primary and the general election shall file, prior to the date that
350 the first report for such year is required to be filed, an affidavit of
351 such intent with the county election officer. No report required by
352 section 6 shall be required to be filed by or for such candidate.

353 (b) Any candidate who has signed an affidavit pursuant to sub-
354 section (a) and who incurs expenses in excess of or receives contri-
355 butions in excess of \$500, exclusive of such candidate's filing fee,
356 for either the primary or the general election shall, within three
357 days of the date when expenditures or contributions exceed such
358 amount, file all past due reports and shall be required to file all
359 future reports on the dates required by section 6.

360 Sec. ~~14~~. It is a class A misdemeanor to: 15

361 (a) Intentionally fail to file a report in the manner and at the
362 time provided by section 6;

363 (b) intentionally make any false material statement in a report
364 filed under section 6 or ~~13~~; or 14

365 (c) violate the provisions of section ~~12~~. 13

366 Sec. ~~15~~. The provisions of K.S.A. 25-901 *et seq.* ~~shall not apply~~ 17
367 ~~to persons to which this act applies.~~

368 Sec. 16. This act shall take effect and be in force from and after
369 its publication in the Kansas register.

370

Sec. 16. The commission upon its own initiative may, and upon request of any individual to which this act applies shall, render an opinion in writing on questions concerning the interpretation of this act. Any person who acts in accordance with the provisions of such an opinion, shall be presumed to have complied with the provisions of this act. A copy of every opinion rendered by the commission shall be open to public inspection. The secretary of state shall publish all opinions rendered under this section monthly and each publication shall be cumulative. The secretary of state shall cause adequate copies of all filings under this section to be supplied to the state library.

is hereby repealed.

))

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on HB 2359
before the
Senate Elections Committee

by
John W. Koepke, Executive Director
Kansas Association of School Boards

March 20, 1989

Mr. Chairman and members of the Committee, we appreciate the opportunity to appear before you on behalf of the member boards of education and community college trustee members of the Kansas Association of School Boards regarding H.B. 2359.

We believe it is inappropriate to add community college trustees and local board of education members to the provisions of the Campaign Finance Act, which presently applies only to candidates for election to state office. Even among those local offices which are proposed to be added to the provisions of the Campaign Finance Act, our members are unique. They are the only elected public officials in the state who receive no compensation for their service.

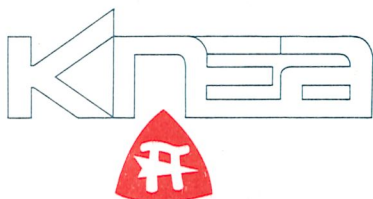
Given the concerns that have been expressed in some quarters about the difficulty presently being experienced in attracting quality candidates for these unpaid positions, it seems unwise to add to the burdens of these offices by bringing them under the stringent reporting requirements of the Campaign Finance Act. School board and commu-

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nity college candidates already fall under the expenditure reporting requirements of K.S.A. 25-901 et. seq. We believe that these reporting requirements are sufficient to meet the public need for information regarding financial support for community college and school board candidates.

Therefore, we would request that community college and school board offices be removed from the proposed definition of "local office" under the Campaign Finance Act. We appreciate your consideration of our concerns, and I would be happy to respond to any questions.

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Craig Grant Testimony Before The
Senate Elections Committee
Tuesday, March 21, 1989

Thank you, Mr. Chairman. Members of the Committee, my name is Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about HB 2359.

Kansas-NEA opposes HB 2359. Although there are sections of the bill on which we have no position or favor, there are several sections we certainly oppose. The Political Action Committee which we have established may be different from others. I cannot speak to them. I only know that our teachers believed that to be noticed in the same manner as the rich individuals and corporations in this state, they needed to pool their \$7 political contribution so that it might be meaningful when we contributed to a candidate. \$1 of that amount is retained locally or regionally by our local teachers who have total control locally as to how to spend the money. The money is never mixed with dues money and a political contribution is not a condition of membership.

So it is with this background that I point out the concerns we have in HB 2359.

1. The first problem we have is on page 5, lines 179 through 185, of the bill. Since we virtually have no control over how UniServ or local PACs spend their money, we believe that the contributions of our state PAC should not be connected with the local's contributions. It has happened more than once that the state

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would contribute an amount to one candidate while the local would contribute to the opponent. This demonstrates what little influence the state has over local decisions. We, then, do not have "dummy" PACs which is the thrust of section 3 on page 5. We oppose that section.

2. Kansas-NEA also opposes language on lines 268 through 278 of the bill located on pages 7 & 8 of the bill. The \$100 filing fee annually would not be a problem for the state PAC; however, our local PACs with receipts of \$50 or \$75 a year would not collect enough to pay the fee. We could accept a filing fee for those whose receipts and/or disbursements totaled \$5,000 or more annually, but a fee for the very small PACs would not allow them to operate.
3. Kansas-NEA also opposes the new campaign limitations on page 11, lines 388 and 406. We are not limiting the rich individuals or corporations or political parties to such a degree; thus we do not feel that we should be put at such a disadvantage and allow these corporations or individuals a greater ability to contribute. Our state already has a very restrictive law with the \$3,000 and \$750 limitations and we see no reason to further limit the contributions.

Kansas-NEA is opposed to HB 2359 in its present form. We believe that an even playing field exists presently with our campaign finance laws. We do not believe that special interest PACs in this state have a great influence on lawmakers just because of their political donations. We would oppose these changes in our campaign act and since they are included in HB 2359, we oppose the bill. Thank you, Mr. Chairman and Members of the Committee, for listening to the concerns of our members.

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**TESTIMONY
TO
SENATE ELECTIONS COMMITTEE
ON HOUSE BILL 2359
MARCH 21, 1989**

Mr. Chairman, Members of the Committee:

I wish to apologize for my schedule not permitting me to personally appear before you on a subject of great concern to me - campaign finance.

I choose not to comment on the specific provisions of HB 2359 as passed by the House because I believe the manner such a bill is structured is completely up to the wisdom of the legislature.

I have my concerns as expressed in my attached comments that I delivered before the House Elections Committee. My concerns then, and still are, that no PAC, Corporation or individual be permitted to contribute amounts to any candidate that could create the perception of excessive and undue influence over the recipient.

I believe very strongly that all loopholes should be closed where one PAC could create and contribute to subsidiary PAC's and exceed the limitations for individual contributions that you may specify. The same should be true of

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individuals who own a substantial interest in more than one corporation that may choose a similar route.

Our state government is and has been free of corruption or even the perception of corruption or the perceptuion of abuses in financing campaigns. As a lobbyist, I would like to keep it that way and I prefer to believe every member of the legislature shows those same convictions.

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TESTIMONY
TO
HOUSE ELECTIONS COMMITTEE
ON HOUSE BILL 2359
FEBRUARY 28, 1989

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Mr. Chairman, Members of the Committee:

My name is Pete McGill and I want to thank you for the opportunity to appear here today. I am here in my personal and individual capacity and anything I say does not necessarily reflect the opinions of any clients I represent.

I approach you with much apprehension, reservation and concern. I learned several years ago after the leaving the Speaker's office and the legislature, as have most other former legislators retiring from the process, that most people, and particularly legislators are not too impressed with the opinions of those who may have once served in the system.

Most are reminded that times have changed, the process has changed and the composition of the legislature has changed both in style and substance.

And that is true. A little more than a decade ago, the average age of legislators had to be in the late fifties and perhaps higher. I have no accurate statistics but now that average age must be at least fifteen years less. The number of professional people in the legislature in their productive years has dramatically declined, particularly with attorneys and business people.

Yes the composition of the legislature has changed as has the process. But one thing that hasn't changed is the public's expectation that the election process will provide leadership with ability and integrity to govern effectively after the elections have passed. The public would like to think they have elected those committed to making government work in the manner intended for a democratic form of government, free of coercion, intimidation and domination by special

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interest groups.

I fully recognize I am an integral part of that huge army of special interest groups that are fortunate in having the opportunity to work within the system. I also recognize I am a part of the system that both the public and the media view with some reservations.

Being a part of that system since I have left the legislature has given me the opportunity to continue to review the legislative process as the changes have transpired. I like to think that I recognize the evolution that has taken place which may give some credence to my comments here today.

Having long been a strong advocate of making the legislature an equal branch of government as mandated by the State Constitution, my interest and concern has not diminished even though I am in a substantially different part of the process.

During the time I was Speaker, along with my friend Pete Loux, Minority Leader and others, I was one of the principal architects of the campaign finance act that appears in the Kansas statutes today. It is fair to say I have received a substantial amount of criticism from my colleagues of that era and subsequent periods for what many perceive as ill conceived legislation.

Notwithstanding all the rhetoric about legislative intent and subsequent misinterpretation of legislative intent, I can tell you what I recall as legislative intent.

The purpose of the original campaign finance act was primarily to insure public disclosure of all campaign contributions and provide simple but adequate reporting procedures. It was not our intent to complicate the process as to

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discourage people from participating in elections and individual campaigns.

Many of you will recall, the campaign finance act was a part of many reform measures enacted by the Kansas legislature in the aftermath of Watergate. I am still proud of the fact I had the privilege of traveling to Williamsburg, Virginia in 1976 to accept an award on behalf of the State of Kansas for the most improved legislature in the United States.

There were 32 changes made in the process that year that were the basis for the award. The campaign finance act was the one that received the most attention and the one most often cited.

I hasten to add here that contrary to popular perception, closing the "watering holes" in Topeka, for which I received much criticism, was not a part of that 32 and never appeared in the statute books.

Kansas was one of the first, and may have been the first state as I recall, to pass campaign finance legislation. Our bill became the model for most other states and the one most often referred to by the National Conference of State Legislatures and now all 50 states have similar legislation.

As a result of the reform measures passed when Kansas received the award referred to a few moments ago, I was invited to 27 of the nations capitals to talk about legislative reform. Most were at the invitation of NCSL.

In every instance, I emphatically stated, and have continued to state until two years ago, that unlike other states, I never did believe I could point to a single instance where I thought campaign contributions in Kansas from PAC's, Corporations or individuals ever corrupted the process or bought a single vote.

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However, I now have severe reservations.

For those clients that we represent that wish to make contributions to political campaigns, I consistently caution them to arrive at modest figures, because campaign contributions in Kansas, different than many other states, do nothing more than give you an opportunity to support the candidate of your choice and perhaps better access to that legislator on matters of concern.

The legislation that was originally enacted and subsequently modified has served the state well, in my opinion. However, I believe the time has come that some very substantive changes are necessary. Many groups, many individuals and many organizations have found numerous ways to circumvent the intent of the law and made a mockery of the entire procedure. Most certainly state government financing of campaigns is not the answer as clearly demonstrated by the Federal law.

I am not here today in support of or in opposition to the specifics in HB 2359 that is before you. I am here to respectfully support any legislation that will provide better and more accurate reporting procedures. I have favored legislation that would serve as a deterrent for more public and individual participation in the election process and individual campaigns. I think reasonable legislation can be enacted to achieve those goals without complicating the process to the extent it discourages public participation.

Times have changed and obviously so has the cost of running a campaign. Fifteen years ago, the average House race cost \$1100. In 1978 it was \$2700. In the last election, there are reports of some House races in excess of \$30,000 and Senate races costing twice that amount.

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I am not prepared to offer specific figures or specific solutions but again, I respectfully suggest the time has come to consider major renovation of the existing campaign finance act.

I don't know that it is possible given the constitutional concerns to the contrary, but an appropriate solution would be to devise some method to place a lid on maximum expenditures for a campaign. Monitoring and policing would be horrendous. However, we have already determined the average candidate can no longer raise enough money from personal and individual sources in order to compete. Hence, a greater reliance on PAC's and Corporate contributions.

That brings me to the heart of what I consider the major issue to be addressed. What to do about PAC and corporate contributions as well as limits on individuals from sources other than the candidates.

We have all the election statistics in our computer for all legislative races since 1972. We also make it a part of our business to analyze campaign contributions.

The election just passed provide a graphic demonstration of precisely my concerns.

Several PAC's have expanded their capabilities through the use of subsidizing names and organizations to the extent there is virtually no limit on what they can contribute.

Dummy PAC's with fictitious or unrelated names have been created for the purpose of channeling additional contributions to whatever source desirable, for a specific purpose and in astronomical amounts.

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Some individuals that have a specific interest in state government or a given political party have found methods of channeling thousands of dollars through their ownership, domination or holdings in several corporations.

As presently structured, there may be a violation of the intent of the law but apparently no violations of existing statutes.

Even if there were violations, it would take several accounting firms to trace all the cross references and source to identify those involved.

We had reports four years ago where one individual through corporate holdings provided over 50% of the financing for two Senatorial campaigns, all very legal as the statutes are presently written.

The same appears to have happened in the last campaign and neither political party had a monopoly on virtue.

In many states such as Louisiana, Texas, Oklahoma and Missouri to name a few, the public perception is that politics is for sale, that elected officials can be bought and elections are won by the highest bidder.

On the other hand, government affairs people and lobbyists that work in these other states will all tell you Kansas has the cleanest government in the United States. I believe we all want to keep it that way.

I can stand before you today and categorically tell you I do not believe there is one single legislator who would willingly or knowingly participate in the corruption of the legislative process or our electoral system.

However, the public perception is just as critical as reality and unless appropriate changes are made in our campaign laws, that potential exists.

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As a lobbyist, and particularly one with a high visibility, I am painfully aware of the public perceptions and the media editorials that already believe special interest groups dominate state government or have undue influence. I don't agree but I am concerned.

I am aware, and admonish every member of our firm to constantly be cognizant of the fact that we are subject to the closest scrutiny. We must maintain the highest degree of ethical standards and integrity so as not to adversely reflect on the legislative process. This very definitely includes any involvement in legislative campaigns. We do represent clients that choose to make contributions to candidates of their choice. We always encourage they arrive at denominations of moderate amounts to avoid the possibility of public criticism that I am addressing here today.

In conclusion, I do not want anything I have said here today to be interpreted as being critical of any group or individual, nor do I know of any person or group that is motivated by some illegal or unethical purpose. I do not.

As you go about amending the campaign finance act, I think you should definitely defend the right of PAC's and special interest groups to participate in the election process along with the private and public sector. I personally support some limits on such contributions and support legislation that will absolutely make certain no one can avoid identity or purpose in the reporting procedures.

I, personally, support any legislation that would control the existence of "dummy" organizations or PAC's specifically designed to exceed the limits of campaign contributions that the legislature may establish.

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I also still share the convictions that campaign finance laws should not be so restrictive or complicated as to discourage individual participation on behalf of any candidate that a person might choose. Quite the contrary, I believe the legislature has an inherent obligation to encourage individual participation.

I also recognize that campaigns now cost more and will continue to cost more in the future. It is extremely difficult to enact laws that control campaign expenditures and contributions and at the same time avoid those laws that favor only the elite who may be able to finance all of their own campaign. That, too, would not be in the public interest.

Thank you, Mr. Chairman, and I would respond to any questions.

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