

Approved 3-2-90
Date

MINUTES OF THE House COMMITTEE ON Elections

The meeting was called to order by Representative Kenneth R. King at
Chairperson

9:10 a.m./p.m. on Thursday, March 1, 1990 in room 521-S of the Capitol.

All members were present except: Representative Ben Foster, excused

Committee staff present: Pat Mah, Research
Arden Ensley, Revisor
Ellie Luthye, Secretary

Conferees appearing before the committee:

Michael Woolf, Common Cause
Carol Williams, Kansas Public Disclosure Commission

The House Election Committee was called to order by Chairman Kenneth King at 9:10 a.m. on Thursday, March 1, 1990.

The minutes for the meeting on February 27th were presented for approval. Representative Empson made a motion to accept the minutes, seconded by Representative Wilbert and the motion carried.

The Chair opened hearings on the substitute for HB 3065. Chairman King thanked the sub-committee Chairman and the committee, along with all of the committee staff, who had worked to bring this draft before the committee. He complimented them on doing a good job in a short time. He then called on Arden Ensley, Revisor, to go over the draft of the bill with the committee and explain what the bill would basically address.

Following this presentation there was a period of discussion and questions by the committee to the Revisor.

Michael Woolf, Common Cause, next appeared before the committee stating Common Cause reluctantly supports HB 3065, feeling that before the bill could be called major reform, it needed to include additional amendments, as requested by Common Cause. (Attachment I)

At the request of the Committee Carol Williams, Public Disclosure Commission, appeared before the committee to answer questions regarding the bill. She also requested that Section 19 of the bill be deleted. In reviewing this section the Commission, who had requested this amendment, found it would not be workable in some instances.

Chairman King referred the committee to a fiscal note that had been prepared by the Public Disclosure Commission regarding the fiscal impact of HB 3065. (Attachment II)

Representative Sebelius addressed Carol Williams as to whether the Commission had made a ruling as to the length of time applicable to a candidate's primary period. This deals specifically with a governor who by law is precluded from seeking re-election or to a candidate who skips an election cycle. The Commission has not made such a ruling.

Representative Baker also thanked the Sub-Committee for all the work and time spent in going over the different pieces of legislation and reports to arrive at the draft of the bill.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Elections

room 521-S Statehouse, at 9:10 a.m./p.m. on Thursday, March 1, 1990.

Representative Blumenthal offered an amendment to the bill that would incorporate Sections 8 and 19 of HB 2916 into the bill. This increases the subpoena power of the Commission in both campaign and ethics. This was seconded by Representative Baker. On a voice vote the amendment was defeated. A division of vote was called for and the motion failed on a 9-6 vote. Representatives Sader, Sebelius, Sawyer, Blumenthal, Baker and Jones wished their "aye" vote be recorded.

Representative Shallenburger made a motion that Section 19 be deleted from the bill as requested by the Public Disclosure Commission, 2nd by Representative Sader. The motion carried.

Representative Sebelius requested she be allowed to present an amendment concerning the issue previously raised dealing with candidates primary period at the next scheduled meeting on Friday, March 2nd at 9:00 a.m. The Chair granted this request.

The meeting was adjourned at 10:10 a.m.

GUEST LIST

COMMITTEE: Elections DATE: 3-1-90

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Michael Woolf	Topeka	Common Cause
Mike Helvey	Oskaloosa	Rep Klein staff
Norm Wicks	TOPEKA	KASB
Craig Grant	Topeka	H-WEA
Earl Nehring	Lawrence	Common Cause
John Marshall	Topeka/Hutchinson	Harris News Service
Rebecca Bossemeyer	TOPEKA	SOS
Jan Atkinson	LePike	KPDC
Jan Crocker	Topeka	KPDC
John L. Patterson	"	K.C. Star
Paul Willett		



COMMON CAUSE / KANSAS

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

March 1, 1990

Statement in Support of House Bill 3065
Presented to the House Committee on Elections
by Michael Woolf, Executive Director

Thank you, Mr. Chairman, Members of the Committee, for allowing me to testify today on House Bill 3065.

Common Cause rises in reluctant support of this bill and the amendments recommended by the Ethics Subcommittee. Our reluctance stems not from what is being proposed--we support most of these recommendations. We are, however, disappointed with what this bill does not include.

We strongly support several of the provisions, namely:

1. The creation of a new commission, with nine members that meet certain qualifications, and their requirement to appoint an executive director.
2. The improved prohibition on personal use of campaign funds.
3. The ban on legislators appearing in representation cases and being paid as a lobbyist.
4. The lengthened statute of limitations.
5. The whistle blower protections.

As this bill now stands, Common Cause does support it. But before it can be called sweeping or major reform, it needs to include the following amendments:

1. Increased subpoena power so the commission no longer has the catch-22 situation that causes the commission to prove their case before they can subpoena the information they need to prove their case.
2. Confidential access to income tax forms so they can check the accuracy and completeness of the statements of substantial interest.
3. Increased staff and the requirement that they audit 10% of all records filed so they can ensure that the laws are being obeyed.
4. Increased lobbying reporting requirements so the public can see a true reflection of the amount of money spent to influence governmental decisions.

Attachment I

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5. Better conflict of interest provisions that ban honoraria and address post-employment or "revolving door" situations.
6. An aggregate PAC limit and a ban on direct corporate and union contributions to get a handle on the contributions from wealthy special interest groups.

Once again, we support HB 3065 with the amendments proposed by the Subcommittee. We commend the work and study given to these issues by its members and the individuals who contributed to the discussion through the ad hoc groups. We are, however, disappointed that this proposal lacks the teeth needed to be considered major sweeping reform.

STATE OF KANSAS

KANSAS PUBLIC DISCLOSURE COMMISSION

109 W. NINTH
TOPEKA, KANSAS 66612
PHONE: (913) 296-4219

TO: Michael O'Keefe, Director of the Budget
FROM: Carol E. Williams, Administrative Assistant
DATE: February 27, 1990
RE: Fiscal Impact of Substitute for HB 3065

Since Substitute for House Bill 3065 amends thirty-seven sections of law in five different chapters, in addition to adding four new sections, the following explanations are offered for each section of the bill:

Section 1 amends K.S.A. 25-4119a. The Kansas Public Disclosure Commission will be abolished and replaced by the Kansas Governmental Ethics Commission. The size of the Commission would be increased from five to nine members. One new member would be appointed by each the Governor, the Chief Justice of the Supreme Court, the Attorney General and the Secretary of State. Not more than five members can be of the same political party and the two members appointed by the Governor cannot be of the same political party. A majority vote of five members of the Commission will be required for any action of the Commission. This section also requires the Commission to appoint an Executive Director.

Section 2 amends K.S.A. 25-4119b. The only changes in this section are necessitated by the name change from Public Disclosure to Governmental Ethics.

Section 3 amends K.S.A. 4119d. This section would prohibit anyone from serving on the Commission who currently is or has within three years held an elective state office, held the office of secretary of any department of state government, engaged in lobbying or had a substantial interest or been employed by or provided services under contract to any vendor of goods or services to the state or any agency.

Section 4 amends K.S.A. 1989 Supp. 25-4143. This section deals with name change only.

New Section 5. The Governmental Ethics Commission fee fund is established in this section. The funds are to be used for the operations of the Commission in the performance of its duties and functions.

Section 6 amends K.S.A. 25-4145. Each political committee that anticipates

receiving or expending \$500 or more in a calendar year will pay a \$100 annual registration fee to the Commission on or before July 1, commencing with July 1, 1990. Those political committees that do not anticipate taking in or spending \$500 or more will pay a \$15 annual registration fee.

Section 7 amends K.S.A. 25-4152. This section deals with name change only.

Section 8 amends K.S.A. 1989 Supp. 25-4157a. This section would prohibit any candidate from converting any unexpended balance in his/her campaign fund for personal use.

Section 9 amends K.S.A. 4163. The new language in this section will require five Commission members to be present to conduct a hearing. Current law requires three of the five Commissioners to be present for a hearing to take place.

Section 10 amends K.S.A. 25-4178. This section deals with name change only.

Section 11 amends K.S.A. 1989 Supp. 25-4180. The civil penalty for failing to file the necessary reports by persons who engage in any activity promoting or opposing the adoption or repeal of any provisions of the Kansas Constitution will be raised from \$10 to \$20 per day for a maximum fine of \$500.

Section 12 amends K.S.A. 1989 Supp. 25-4181. This section deals with name change only.

Section 13 amends K.S.A. 1989 Supp. 25-4182. This section deals with name change only.

Section 14 amends K.S.A. 1989 Supp. 25-4183. This section deals with name change only.

Section 15 amends K.S.A. 1989 Supp. 25-4184. This section deals with name change only.

Section 16 amends K.S.A. 1989 Supp. 25-4185. This section deals with name change only.

New Section 17. This section would prohibit a legislator from receiving any money, compensation or economic opportunity paid or financed in whole or in part from state or agency funds except compensation and expense allowances specifically authorized by law for services as a legislator. It would prohibit a legislator from engaging in lobbying or representing any person in a representation case or receiving any compensation from such lobbying or representation. A legislator would be prohibited from having a substantial interest in or being employed by any business which receives any compensation or economic opportunity paid or financed by state funds. The above prohibitions have six exceptions.

New Section 18. This section would prohibit a legislator or candidate committee from soliciting or receiving any campaign contribution from a registered lobbyist or political committee after January 1 to May 15 of

each year or any other time the legislature is in session.

Section 19 amends K.S.A. 1989 Supp. 46-229. This section relates to the definition of "substantial interest" and makes the time frame in each section uniform by changing "preceding 12 months" to "preceding calendar year" in subsections a and c.

Section 20 amends K.S.A. 46-234. The new language in this section would prevent any state or local officer from campaigning for or being elected to any state or local office if such term overlaps that term which such officer is currently serving.

Section 21 amends K.S.A. 46-237. The new language in this section would prohibit a legislator from soliciting any contribution to be made to any organization for the purpose of paying for travel, subsistence and other expenses incurred by a legislator in attending any meeting or program sponsored by such organization. This section would also permit the acceptance by any legislator of payment or reimbursement from any national, nonprofit, nonpartisan organization established for the purposes of serving and strengthening state legislatures and informing and educating state legislators for travel, subsistence, hospitality, entertainment and other expenses incurred in attending meetings sponsored by such organizations.

Section 22 amends K.S.A. 46-253. This section deals with name change only.

Section 23 amends K.S.A. 46-257. The new language in this section will require five Commission members to be present to conduct a hearing. Current law requires three of the five Commissioners to be present for a hearing to take place.

Section 24 amends K.S.A. 46-265. The new language in this section would require every lobbyist registering or renewing his registration to pay a \$25 registration fee to the Secretary of State. The Secretary of State would remit all lobbyist registration fees to the State Treasurer to be credited to the Governmental Ethics Commission fee fund.

Section 25 amends K.S.A. 46-268. This section would require every lobbyist to file a monthly expenditure report. Currently, reports need only be filed by a lobbyist if he expends more than \$100 in a calendar month.

Section 26 amends K.S.A. 1989 Supp. 46-269. The new language in this section would require lobbyists to maintain and preserve their records for five years. In addition, each lobbyist must make these records available to the Commission at the Commission's request.

Section 27 amends K.S.A. 1989 Supp. 46-280. This section deals with name change only.

Section 28 amends K.S.A. 1989 Supp. 46-287. This section would require the "paid for by" disclaimer used in newspaper advertising to be required for inserts or flyers that are distributed by a newspaper or periodical.

Section 29 amends K.S.A. 1989 Supp. 46-288. This section deals with name change only.

Section 30 amends K.S.A. 1989 Supp. 46-289. This section deals with name change only.

Section 31 amends K.S.A. 1989 Supp. 46-290. This section deals with name change only.

Section 32 amends K.S.A. 1989 Supp. 46-291. This section deals with name change only.

Section 33 amends K.S.A. 1989 Supp. 46-292. This section deals with name change only.

Section 34 amends K.S.A. 74-7275. This section deals with name change only.

New section 35. This section brings the definition of "substantial interest" in the local conflict of interest statutes in line with those at the State level.

New section 36. This section will bring the local filings of Statements of Substantial Interests in line with the State filings. Candidates for local office, individuals appointed to fill vacancies in an elective office, and elective officials will file within the same time frame as state candidates and elected officials. In addition, this section will require the Commission to adopt rules and regulations prescribing the form and manner for filing the statement. The Commission will provide samples of the form to each county election officer. This will provide for form uniformity.

Section 37 amends K.S.A. 75-4303a. This section deals with name change only.

Section 38 amends K.S.A. 75-4304. This section changes the wording of "public officer" to "local government officer".

Section 39 amends K.S.A. 75-4305. The new language in this section changes the wording of "public officer" to "local government officer". It also clarifies or rewords the existing language.

Section 40 amends K.S.A. 75-4306. This section would make a violation of K.S.A. 75-4304 or 75-4305 a class B misdemeanor rather than a class A misdemeanor as is current law. Violations of the State Conflict of Interests statute is a class B misdemeanor.

Section 41 amends K.S.A. 21-3106. The new language in this section would toll the statute of limitations when an administrative agency is restrained by court order from investigating or proceeding on a matter before it as to any criminal conduct which may be discovered. In addition, the statute of limitations for violating any provisions of the Campaign Finance Act or Governmental Ethics Laws will be extended from two years to five years from the time the act is committed.

Section 42 amends K.S.A. 25-901. This section deals with the reporting requirements for organizations, committees, clubs, etc..., that support candidates for local office. County office has been deleted from this

section since county candidates fall under the Campaign Finance Act.

Section 43 amends K.S.A. 25-904. This section deals with the campaign reports filed by local candidates. The new language will require candidates for local office to file campaign reports disclosing all contributions over \$50 and all expenditures. These reports will continue to be filed 30 days after each election.

Section 44 amends K.S.A. 79-2974. The new language in this section would extend the protection of the "whistleblower" provisions of all state officers.

This bill will become effective July 1, 1990.

Budgetary Analysis

Revenues generated by Governmental Ethics Fee Fund

Revenue generated by lobbyist registrations - (988 registrations in calendar year 1989 x \$25)	\$24,700
Revenue generated by political committee registrations (Approximately 163 political committees x \$100 - \$16,300) (Approximately 47 political committees x \$15 - \$705)	\$17,005
TOTAL REVENUE	\$41,705

The following is an estimate of the additional funds needed for an Executive Director and to add 4 Commission members to the Kansas Public Disclosure Commission.

<u>Executive Director (Range 31, Step A) (3074/mo)</u>	\$36,888
Fringe Benefits	\$ 6,511
	\$43,399

Commission Per Diem

4 members x \$35 per day x 12 meetings (10 Commission meetings & 2 hearings per year)	\$ 1,680
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Commission Travel

Monthly meetings: 756 mi. @ .24 x 10 meetings	\$ 1,814
Hearings: 756 mi. @ .24 x 2 hearings	\$ 363
3 days subsistence x \$73/day	\$ 219
	\$ 4,076

Funding will be required to provide the monthly reports for lobbyists and to mail past due notices and certified failure to file notices.

Printing

692 lobbyists registered in 1989 x 12 reports per year = 8,304 reports	\$ 722
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Postage

average of 70 past due letters per month @ .25 each	\$ 210
average of 10 certified failure to file notices per month @ \$1.79 each	<u>\$ 215</u>
	\$1,147

The revenues generated from the fee fund will not be sufficient to cover the additional costs that would be incurred by the implementation of this bill. An additional \$6,917 would be required from the state general fund.

This bill could be implemented with a full-time staff of seven, the number of staff that would be authorized if Substitute for House Bill 3065 became law. Other than the above listed costs, the bill could be implemented with current operating expenditure levels.