

Approved 2-11-92
Date

MINUTES OF THE HOUSE COMMITTEE ON ELECTIONS

The meeting was called to order by Representative Sherman Jones at
Chairperson

9:10 a.m./p.m. on January 28, 1992 in room 521-S of the Capitol.

All members were present except: Representative Wells (excused)

Committee staff present: Arden Ensley, Revisor
Pat Mah, Research
Shirley Lee, Committee Secretary

Conferees appearing before the committee:

Michael Woolf, Common Cause of Kansas
Joe De La Torre, Deputy Assistant Secretary of State

Others attending: see attached list.

Chairman Jones opened the hearing on **HB 2169**. Michael Woolf, Executive Director of Common Cause of Kansas appeared before the Committee as a proponent. He stated **HB 2169** would establish the Campaign Expenditure Limitation and Funding Act and provided written testimony (Attachment 1).

Chairman Jones opened the floor for questions. Representative Stephens questioned the difference from the proposal in comparison to other state public funding. Mr. Woolf stated the proposal went further than the other states and that no state had 100% public funding. He further stated there was more incentive to participate and it provided more funding for the candidates. He cited Wisconsin and New Jersey as having the best systems in place. Representative McKechnie questioned the reference of "special interest" in the text of his testimony. Mr. Woolf stated that special interest referred to packs, corporations, and businesses. Representative McKechnie then asked if it was bad for a group of workers to unite together. Mr. Woolf replied that it was much better for individuals to contribute because they knew where the candidate stood on the issue. Representative McKechnie questioned further item seven of the written testimony. Mr. Woolf summed up that it basically came down to whether public elections were to be funded by special interest groups. Representative Bishop questioned the expenditure limits. Mr. Woolf stated there were provisions for direct legislative appropriations. Representative Shallenburger expressed a concern of limiting the match of the grant. Mr. Woolf stated the proposal would limit the amount an individual could contribute to their campaign. Representative Scott questioned the spouse contribution. Mr. Woolf stated he would consider to remove the spouse contribution. Representative Thompson questioned if the bill dealt with in-kind contributions. Mr. Woolf stated the in-kind contribution did not count towards the qualifying limits. Representative Baker made a comment to clarify that packs do listen to people that contribute to them. Mr. Woolf stated the bill does provide public funding to make up the differences. Representative Love questioned the geographic region in making contributions. Mr. Woolf stated only 20% of qualifying contributions can come from outside a district. Representative Stephens commented through her experience the membership was not represented. Representative McKechnie questioned the need for the bill. Mr. Woolf stated that the bill did not change the reports that are currently required but rather it included additional ones. Representative Shallenburger questioned further if he could raise as much money as he wanted locally with \$1,250 being from his district and \$4,000 in his old district. Mr. Woolf concurred. With no further questions, Chairman Jones closed the hearing on **HB 2169**.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ELECTIONS

room 521-S, Statehouse, at 9:10 a.m./p.m. on January 28, 1992

Chairman Jones opened the hearing for **HB 2230**. Representative Cozine appeared before the Committee. She stated there were no complete election maps in District 81 and other places under her in Sedgwick County. The problem is it took six to eight maps to cover the district. Representative Macy questioned if she was able to obtain a good map and if so what was the cost. Representative Cozine expressed a concern about the cost of purchasing a map, and stated the election maps did not include streets and markers. Representative Baker expressed she did not understand the problem. Representative Cozine reaffirmed that the streets and numbers were not included on the map nor did it include the whole district. Representative Shallenburger questioned if the maps were for politicians only. Representative Cozine stated they were for public use as well. Representative Johnson asked if the maps were available from the surveyor. Representative Cozine stated they had aerial maps that did not include the whole district. Representative Jones questioned how legislative districts that encompassed two or more counties obtain their map. Representative Cozine stated a map for each county had to be obtained. Representative Love questioned if the key issue was to find the boundaries. Representative Cozine replied that it was, along with everything within the boundaries.

Joe La De Torre, Deputy Assistant Secretary of State, appeared before the Committee in opposition to **HB 2230**. He stated the bill creates unnecessary burden on county governments (Attachment 2).

Chairman Jones opened the floor for questions. Representative Love questioned if there was a map showing Representative's district. Mr. Torre informed the Committee that joining him was Randy Foster, Photographer from the Secretary of State's Office. Mr. Foster appeared before the Committee stating that his office did not maintain individual representative district maps but they did have election precinct maps for the entire state. He provided for view a Sedgwick County election precinct map that showed Representative Cozine's district on a small scale.

Following continued questions from committee members concerning the details on the map and cost, Chairman Jones closed the hearing for **HB 2230**.

Chairman Jones opened the hearing for **HB 2711**. Representative Cozine appeared again before the Committee on behalf of **HB 2711**. She stated the bill would eliminate a purge to save time as it took sixty days to do a purge. Chairman Jones opened the floor for questions. Representative McKechnie asked the Revisor if the twenty-nine cents was considered a poll tax. Arden Ensley, Revisor, replied that he was not aware of any case law pertaining to the issue and expressed a doubt. He indicated further that the bill was not designed to prevent someone from voting. Representative Parkinson moved that the Committee report adversely on **HB 2711**, seconded by Representative Cates and the motion carried.

With no further business, Chairman Jones adjourned the meeting at 10:10 a.m.



COMMON CAUSE / KANSAS

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TESTIMONY IN SUPPORT OF HOUSE BILL 2169
TO THE HOUSE ELECTIONS COMMITTEE
BY MICHAEL WOOLF, EXECUTIVE DIRECTOR
JANUARY 28, 1992

Thank you Mr. Chairman, and members of the Committee for allowing me to testify today in support of House Bill 2169 which would establish the Campaign Expenditure Limitation and Funding Act.

For the past several years, campaign finance has been a major issue before this Committee. The goal of any major, comprehensive reform is to make elections more competitive; so voters have a real choice on election day, and to reduce the role of special interest group money in the election process; to increase public confidence of our government and to reduce the influence of special interest lobbies.

Common Cause believes that House Bill 2169 will allow us to achieve these two goals. This package would place a limit on the total amount of money that could be spent on an election and it would offer a substitute for special interest group contributions. This is the only system that I know of that will allow us to control the cost of campaigns, level the playing field between incumbents and challengers, and sufficiently reduce the role of special interest groups.

House Bill 2169 seeks to address all of these problems and inequities. The Campaign Expenditure Limitation and Funding Act sets up a system where candidates for statewide and legislative office, who volunteer to participate, would be bound by an overall cap on the amount of money that they can spend on their campaign.

Participants would also be banned from accepting contributions from special interest groups, and these candidates would be subject to limits on the amount of money that they can contribute to their own campaign.

In return for agreeing to these limits, a qualifying candidate, with a viable opponent, would receive a grant from the Election Campaign Fund created by the Act. The money in the fund would come from a check-off program on Kansas income tax forms, similar to that on federal forms for the presidential campaigns, and also from direct legislative appropriations if necessary.

Mr. Chairman, I would now like to go through the bill in a little more detail to describe exactly how this system would work.

Section 2 ties the definitions of the Campaign Finance Act to this proposal and includes a few additional definitions specifically for the Act. Subsection (d) defines a "qualifying contribution" as a

House Elections
2-11-92
Attachment 1

contribution from an individual, living in Kansas, which is contributed during the election year and in an amount not to exceed \$500 for statewide candidates or \$100 for legislative candidates. The role of qualifying contributions will be described in later sections.

Section 3 requires an additional disclosure report to be filed. This will give the Commission on Governmental Standards and Conduct the information they need to determine whether a candidate is eligible for a grant from the Election Campaign Fund.

Section 4 establishes the Election Campaign Fund which would receive its revenue from a \$3.00 checkoff on Kansas income tax forms. Since the checkoff may not provide enough revenue to fully finance the fund, direct appropriations are also provided for. Section 4 also details that expenditures from the fund can only be made with vouchers approved by the Chair of the Commission.

Section 5 sets up the application procedures. When an individual becomes a candidate, either by petition or by paying the filing fee, that candidate would also file a statement of intent to accept or reject a grant. If the candidate intends to accept a grant, he or she will swear to abide by all contribution and expenditure limits included in the Act.

Section 6 establishes the qualification procedures before a candidate can receive the grant money. A candidate for statewide office must raise 5% of the applicable expenditure limit (listed in Section 8) in qualifying contributions. A legislative candidate must raise 10% of the expenditure limit in qualifying contributions with 80% of the total coming from within the district.

The candidate seeking the grant must also be opposed by someone who has qualified to receive a grant or who has raised 25% of the applicable expenditure limit.

So a candidate for the House of Representatives, who wishes to participate in this system, must raise \$1,250 in contributions of \$100 or less from individual Kansans, a \$1,000 of which must come from within the district.

This candidate must also be opposed by someone who has either agreed to accept the grant and met those same qualifications or who has rejected this system and has raised 25% of the expenditure limit, which would be \$3,125, and that money could be from any source (PACs, corporations, the candidate's own money, etc.).

After those two requirements are met, a candidate is eligible to receive a grant.

Section 7 sets up the contribution limits for candidates who agree to participate in this system. Such a candidate is prohibited from accepting contributions from any source other than the fund,

individuals, political parties or the candidate himself or herself. Also, a candidate could not contribute more than 200% of the amount an individual can contribute. For House candidates that would be \$1,000. Subsection (c) also sets the amount of the grant at 65% of the applicable expenditure limit. For House candidates the amount of the grant would be \$8,125.

Section 8 lists the expenditure limits for the various offices. These range from \$1.5 million for governor to \$12,500 for House candidates in the primary and an equal amount for the general election.

Subsection (c) also allows a candidate who rejects the grant to voluntarily agree to abide by the contribution and expenditure limits. The need for this is apparent in the next section.

Section 9 concerns supplemental grants for candidates participating in this system. Section 9(a) attempts to keep the playing field even between candidates who accept the grant and those who reject it. It also provides an incentive for candidates to participate in this voluntary system. It provides that if candidate "A" accepts a grant and is opposed by candidate "B" who rejects the grant and does not voluntarily agree to abide by the limits, then candidate "A" is eligible to receive an additional grant of 50% of the original grant for statewide office or 100% for legislative candidates.

Section 9(b) attempts to level the playing field when an outside group makes an independent expenditure in a campaign. This subsection provides that if aggregate independent expenditures are made which equal 10% of the expenditure limit, then the candidate who is negatively affected by such expenditure is eligible for an additional grant which matches the independent expenditure dollar for dollar up to a maximum of 25% of the expenditure limit.

Section 10 allows certain items to be excluded when computing the expenditure limits.

Section 11 concerns the Commission's determination of whether a candidate is eligible to receive a grant, and exactly how those funds will be disbursed to the candidate.

Since public funds are involved, Section 12 specifies that grant money can only be used for legitimate campaign purposes spelled out in this section. These expenditures are intended to benefit the candidate's candidacy and not the candidate personally.

Section 13 concerns the return of unused grant money. This section gives the state a vested interest in grant funds until they are spent for legitimate campaign purposes. Any unspent grant funds would revert back to the state by the filing deadline of the next campaign finance report.

Section 14 prohibits any person from spending grant funds except to advance the qualifying candidate's candidacy or from using grant money that should be returned to the state. It also prohibits a candidate from spending grant money if he or she has violated the pledge to abide by the contribution and expenditure limits.

Section 15 requires a candidate to provide the Commission with sufficient proof of payment of grant funds to ensure that this money was used for its intended purposes.

Section 16 allows the Commission to adopt rules and regulations necessary to administer the act. It also allows a candidate to use the statement of intent to accept a grant as security for a loan for the campaign. If the loan is used for allowable expenditures, the candidate can repay the loan with grant funds.

I would also like to call attention to a timeline that I have attached to my testimony that shows all of the deadlines and due dates that would have applied if this system had been in place during the last election.

Also attached is a chart showing the limits, grant amounts and qualification thresholds contained in the Act. I have also included an estimate of what this system would cost, based on the 1988 and 1990 elections, an estimate of how much money the checkoff would raise, a list of how much money would be available per registered voter and the participation rates of other states with an election campaign checkoff.

In closing, Mr. Chairman, HB 2169 corrects several of the problems with the way the campaigns are financed, whether those problems are real or perceived by the public:

1. It allows us to control the cost of campaigns.
2. It decreases the reliance on special interest money.
3. It levels the playing field between incumbents and challengers and between wealthy candidates and candidates of moderate means.
4. It opens up the system to more individuals who wish to serve but can't raise enough money to compete.
5. It reduces a candidate's time raising money.
6. It encourages the participation of small individual, in-district, contributors.
7. It provides clean, untainted campaign funds.
8. It reduces the influence of out of state organizations.
9. It limits the amount a candidate can put into his or her own campaign.
10. It discourages expensive, independent expenditures.

I realize that this is a sweeping and very controversial proposal, but we believe that it is a system whose time has come.

LIMITS, GRANT AMOUNTS, AND QUALIFICATION THRESHOLDS

Candidate	Expenditure Limits	Grant	Candidate Qualifying Contrib.
Governor	500,000 / 1,000,000	325,000 / 650,000	25,000 / 50,000
A.G.	250,000 / 500,000	162,500 / 325,000	12,500 / 25,000
Statewide	100,000 / 150,000	65,000 / 97,500	5,000 / 7,500
Senate	25,000 / 25,000	16,250 / 16,250	2,500 / 2,500
House	12,500 / 12,500	8,125 / 8,125	1,250 / 1,250
Candidate	Opponent Qualifying Contrib.	Candidate or Spouse Contribution	Individual Contribution
Governor	125,000 / 250,000	4,000	2,000
A.G.	62,500 / 125,000	4,000	2,000
Statewide	25,000 / 37,500	4,000	2,000
Senate	6,250 / 6,250	2,000	1,000
House	3,125 / 3,125	1,000	500

ESTIMATED CHECK-OFF FUNDS THAT WOULD HAVE BEEN NEEDED FOR THE 1988 ELECTION

I have assumed for this estimate that all incumbents could raise the necessary amount from individuals to qualify for a grant. For an incumbent to receive a grant, however, his opponent must either qualify for a grant or have raised 25% of the expenditure limit.

I have therefore gone through each contest and determined or estimated whether each candidate could have qualified for the grant had such a system been in place. I have also assumed that every candidate who was eligible for a grant would accept the maximum amount.

Senate Primary

Qualifying Candidates--10
 Maximum Grant--\$16,250
 Total Needed--\$162,500

Senate General

Qualifying Candidates--54
 Maximum Grant--\$16,250
 Total Needed--\$877,500

TOTAL SENATE--\$1,040,000

House Primary

Qualifying Candidates--30
 Maximum Grant--\$8,125
 Total Needed--\$243,750

House General

Qualifying Candidates--123
 Maximum Grant--\$8,125
 Total Needed--\$999,375

TOTAL HOUSE--\$1,243,125

1990 STATEWIDE CANDIDATES

Governor: Primary

Qualifying Candidates--5
 Maximum Grant--\$325,000
 Total Needed--\$1,625,000

Governor: General

Qualifying Candidates--2
 Maximum Grant--\$650,000
 Total Needed--\$1,300,000

Secretary of State: Primary

Qualifying Candidates--0
 Maximum Grant--\$65,000
 Total Needed-- -0-

Secretary of State: General

Qualifying Candidates--0
 Maximum Grant--\$97,500
 Total Needed--\$ -0-

Attorney General: General

Qualifying Candidates--2
 Maximum Grant--\$325,000
 Total Needed--\$650,000

Insurance Commissioner: Primary

Qualifying Candidates--2
 Maximum Grant--\$65,000
 Total Needed--\$130,000

Insurance Commissioner: General

Qualifying Candidates--2
 Maximum Grant--\$97,500
 Total Needed--\$195,000

State Treasurer: General

Qualifying Candidates--2
 Maximum Grant--\$97,500
 Total Needed--\$195,000

TOTAL STATEWIDE: \$4,095,000

CHECK-OFF DOLLARS AVAILABLE

Total Income Tax Returns Filed:	1,150,000
Number Out of State:	<u>168,600</u>
Difference:	981,400
Joint Returns:	<u>601,500</u>
Total Returns Available for check-off:	1,582,900

20% participation would produce \$949,740/year.

Note: Wisconsin invests their funds and the interest is very substantial.

GENERAL ELECTION EXPENDITURE LIMIT RATIO

(Money available per registered voter for each office)*

Governor:	\$0.87
Attorney General:	\$0.43
Other Statewide:	\$0.13
State Senate:	\$0.87 (registered voters/40=28,850)
State House:	\$1.35 (registered voters/125=9,232)

Note: Senate races in 1988 would have been widely varied:
District 29--11,825 votes cast = \$2.11/voter
District 5--50,228 votes cast = \$0.50/voter
This should be cleaned up some by reapportionment.

*Total registered as of 8/1/89: 1,153,870

HIGHEST PARTICIPATION RATE OF OTHER STATES

Michigan	28.3% (1977)	Minnesota	19.8% (1977)
New Jersey	41.7% (1980)	N. Carolina	15.5% (1983)
Hawaii	54.0% (1984)	Utah	27.5% (1979)
Idaho	22.6% (1981)	Wisconsin	19.7% (1980)
Iowa	17.0% (1980)	Kentucky	16.5% (1977)

TIMELINE

December 31, 1989:

Cutoff date for annual Campaign Finance Report. [CFA]

January 1, 1990:

Commission must provide written estimate of the amount necessary to fully fund all eligible candidates. [4(e)(2)]

Candidates can begin collecting qualifying contributions. [2(d)(1)(D)]

Candidates, from this date on, must either not accept special interest contributions or return all special interest contributions that are received between this date and the deadline for filing a statement of intent. [7(b)]

January 10, 1990:

Annual report due, covers Dec. 1, 1988 to Dec. 31, 1989 [CFA]

June 11, 1990 (Usually June 10, but it falls on a Sunday):

Filing fee must be paid or nomination petitions must be filed. [K.S.A. 25-205]

Statement of Intent due. [5(a)]

Deadline to voluntarily abide by contribution and expenditure limits [8(c)]

Additional Campaign Finance Report due. [Sec.3]

June 21, 1990 (10 days after deadline for filing nomination petitions):

Commission must certify eligibility to receive a primary election grant. [11(b)]

June 26, 1990 (15 days after deadline for filing nomination petitions):

Deadline for filing written request to review the determination of the commission. [11(1)]

Deadline to rescind acceptance of a primary grant. [5(d)(1)]

Deadline to rescind voluntary abidance of contribution and expenditure limits for primary election. [8(c)(1)]

July 26, 1990:

Cutoff date for pre-primary report. [CFA]

July 30, 1990:

Pre-primary report due. [CFA]

August 7, 1990:

Primary Election

August 17, 1990 (10 days after primary election):

Commission must certify eligibility to receive a general election grant. [11(c)]

August 21, 1990 (15 days after primary election):
Deadline for filing written request to review the determination of
the commission. [11(i)]
Deadline to rescind acceptance of general grant. [5(d)(2)]
Deadline to rescind voluntary abidance of expenditure limits for
general election. [8(c)(2)]

August 31, 1990:
Cutoff date for primary election expenditures. [8(b)(1)]

October 25, 1990:
Cutoff date for pre-general election report. [CFA]

October 30, 1990:
Pre-general election report due. [CFA]
Proof of payment for primary grant due. [15(a)]
Unspent primary grant funds revert to state. [13(a)(2)]

November 6, 1990:
General Election

December 31, 1990:
Cutoff date for annual report. [CFA]
Cutoff date for general election expenditures. [8(b)(2)]

January 10, 1991:
Annual report due. [CFA]
Proof of payment for general grant due. [15(a)]
Unspent general grant funds revert to state. [13(a)(2)]

* Notes: Number in brackets refers to section in the Act.
[CFA] refers to the Campaign Finance Act.

Bill Graves
Secretary of State



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STATE OF KANSAS

TESTIMONY OF JOSE DE LA TORRE
HOUSE ELECTIONS COMMITTEE
January 28, 1992
House Bill 2230

Thank you, Mr. Chairman and members of the committee, for the opportunity to appear before you today on behalf of Secretary of State Graves.

As we testified in this committee on February 25, 1991, our office opposes House Bill 2230 because it creates an unnecessary burden on county government. The necessary maps are now available either in our office or the county offices. Although they may not meet the specific requirements of this proposal, they are more than sufficient to meet the needs of any citizen or government entity.

We ask that you report House Bill 2230 unfavorable for passage.

Thank you.

H. Elections
1-28-92
Attachment 2