

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS.

The meeting was called to order by the Chair, Rep. Carol Dawson, at 9:00 a.m. on February 15, 1996 in Room 521-S of the Capitol.

All members were present except: Rep. Herman Dillon, Excused

Committee staff present: Dennis Hodgins, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Jim Wilson, Revisor of Statutes
Donna Luttjohann, Committee Secretary

Conferees appearing before the committee: Rep. Troy Findley
Rep. Jim Garner
Rep. Britt Nichols
Frank Neff, Independence Party of KS

Others attending: See attached list

Hearing on:

HB 2950: Election campaign ethics; prescribing certain expenditure limitations

Rep. Findley was recognized by Madam Chairman Dawson as the sponsor of the bill. He testified that in order to level the playing field at election time, the bill is needed to equalize monetary spending. See Attachment 1.

The Chair recognized Rep. Garner as a proponent of the bill. He testified that the intent of the bill is to control the spending and costs of running a campaign and that it is the responsibility of each candidate to do this themselves. He also testified that there is great concern that federal races are becoming a rich person's sport and the bill would protect the citizen legislature. See Attachment 2.

The hearing on HB 2950 was closed.

Hearing on:

HB 2953: Election campaign finance; relating to limitations on amounts of contributions

Madam Chairman Dawson recognized Rep. Nichols as the sponsor of the bill. He testified that the states are being given more power by the federal government and that more restrictive campaign finance laws need to be implemented. See Attachment 3.

Frank Neff was recognized by the Chair as a proponent of the bill. He testified that his organization believes "that our elections should be paid for with public money, not with money which is intended to buy votes favorable to a given group or individual". See Attachment 4.

The hearing on HB 2953 was closed.

Madam Chairman Dawson called the Committee's attention to **HB 2471 regarding the licensing and regulation of geology as a technical profession.**

Rep. Benlon made a motion to accept Substitute HB 2471 with amendments recommended and previously discussed by Committee. It was seconded by Rep. Gilbert. The motion carried.

Discussion on HB 2471 continued. Madam Chair Dawson recognized Carolyn Rampey. She informed the committee of an update in regard to the cost of implementing the program that had been prepared and was made available to the Committee. See Attachment 5.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS, ROOM 521-S Statehouse at 9:00 a.m. on February 15, 1996.

Rep. Benlon made a motion to forward **Substitute HB 2471** to the Committee of the Whole without Committee recommendation. It was seconded by Rep. Gilbert. The motion carried.

The Madam Chair adjourned the meeting at 10:20 a.m. and announced that the next meeting would be February 16, 1996, in Room 521-S of the Capitol.

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TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: FEDERAL & STATE AFFAIRS
 FINANCIAL INSTITUTIONS & INSURANCE
 GOVERNMENTAL ORGANIZATION & ELECTIONS
 JOINT COMMITTEE ON ECONOMIC
 DEVELOPMENT

TESTIMONY IN SUPPORT OF HOUSE BILL 2950

Madame Chair, members of the committee, I greatly appreciate this opportunity to appear before you today to testify in support of House Bill 2950. HB 2950 is a proposal to bring dramatic, fundamental change to the way political campaigns are financed in Kansas. HB 2950 would establish a Campaign Spending Limit Program for candidates for statewide office and the Kansas Legislature.

When the issue of campaign finance reform comes up in public forums in my community, many constituents often ask the question- "Why isn't there a law that simply places a mandatory limit on how much money candidates can spend in an election?" The answer to his question, of course, lies in the 1976 U.S. Supreme Court decision ruling in the case *Buckley v. Valeo*. In that decision, the U.S. Supreme Court ruled that campaign spending limits constitute a violation of free speech unless voluntarily accepted, or accepted in exchange for public financing or other resources.

Since that court ruling two decades ago, many states have implemented campaign spending limit laws that pass the test of *Buckley v. Valeo*. As of 1995, voluntary campaign spending limits exist in eleven states and in primary and general elections for president. HB 2950 is a campaign spending limit proposal that meets the test of constitutionality because it is "voluntary" and not "mandatory."

Under HB 2950, prior to accepting any contribution for their candidacy for office, candidates would be required to file a statement of intent to comply or not to be bound by campaign expenditure limitations as prescribed by this proposed legislation. The proposed spending limits would apply to candidates for statewide office and the legislature and are detailed as follows:

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Office	Primary	General
State Representative	\$5,000	\$15,000
State Senator	\$10,000	\$40,000
Secretary of State, Attorney-General, Treasurer, Insurance Commissioner	\$100,000	\$400,000
Governor/Lt. Gov	\$500,000	\$1,000,000

The obvious question is- "How can a voluntary spending limit program be expected to really work?" I believe there exists several incentives to participate in the campaign spending limit program proposed by HB 2950.

The first, and perhaps the most powerful incentive lies in the creation of a two-tiered contribution limitation system for candidates. Candidates who agree to participate in the spending limit program will be allowed to receive contributions in larger amounts than those candidates who choose not to participate in the program. The following chart better illustrates the two-tiered system of contribution limits:

Office	Participating	Non-Participating
State Representative	\$500	\$100
State Senator	\$1000	\$200
Statewide Office	\$2000	\$400

The second incentive to participate in the spending limit program is the waiving of local filing fees for state legislative candidates. A third incentive is the taking into account all of the time and energy that can be shifted away from raising large sums of money for one's political campaign that can be devoted to far more important and productive activities.

Other key components of HB2950 include:

* Adjusting the spending limits every two years to reflect increases in the cost of political campaigning.

* The assessment of penalties against those candidates who pledged to abide by the limits, and subsequently renege on that pledge.

* Challenger candidates would be allowed to spend 10 percent more than the limit imposed on the incumbent office holder. This component seeks to level the playing field between incumbents and challengers.

In conclusion, there is one final thought I want to leave you with today. There is about to be a major shift in power from Washington to state capitals all across this country. When this shift occurs the large amounts of money that has been influencing the political process at the Congressional level in Washington for many decades will begin to flow into state capitals like Topeka. That is why now is the time to act on real and meaningful campaign finance reform in Kansas.

HB 2950 is real and meaningful campaign finance reform. If enacted it will bring dramatic and fundamental change to the political process in Kansas. It is aimed at reducing the flow of money into political campaigns, leveling the playing field between incumbents and challengers, and helping to preserve the Kansas Legislature as a true citizen legislature.

I ask that all of you to consider the merits of HB 2950, and encourage you to take favorable action on this proposal. I would be pleased to stand for questions at this time.

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TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS

RANKING MEMBER: DEMOCRAT
 SELECT COMMITTEE ON JUVENILE
 CRIME
 SELECT COMMITTEE ON HIGHER
 EDUCATION
 RULES AND JOURNAL
 KANSAS JUDICIAL COUNCIL
 CRIMINAL LAW ADVISORY COMMITTEE
 NCSL ASSEMBLY ON FEDERAL ISSUES—LAW
 AND JUSTICE COMMITTEE

February 15, 1996

TESTIMONY IN SUPPORT OF HB 2950

Madam Chair and Members of the Committee:

Thank you for the opportunity to appear and testify in support of HB 2950. This bill has the potential of being the most significant campaign finance reform legislation in recent history. HB 2950 would simply call for spending limits on campaigns for state offices in Kansas.

This body, and particularly this committee, has spent a great deal of time and effort over the past years tinkering around with campaign reform. But, if we are serious about really making a positive change in the campaign system, it is time to adopt real reform--let's cap the ever increasing cost of campaigns.

I fear that we are becoming more and more focused on raising money before, during, and after elections cycles. If we are serious about reform, let's put ourselves on a spending diet. I believe no other approach will have as great an impact than limiting the amount we spend to get elected.

A couple of events have sparked my interest in pursuing this matter. First, reports from the 1995 Virginia legislative races indicate that \$100,000 legislative races are no longer considered uncommon. Second, a state Senator here in Kansas raised \$60,000 in one fund raising event.

We are seeing escalating campaign costs in other states. In 1991 New Jersey had 16 legislative campaigns spending over \$200,000 each. The average cost for a Washington state Senate race in 1990 was \$111,183. I do not want to see the "congressionalization" of political campaigns in Kansas. Federal races are becoming more and more a rich

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persons' sport. In Kansas House campaigns alone, the total costs have sky-rocketed from \$1.25 million in 1982 to \$2.94 million in 1994 (over 130% increase). I do not want the trends that are occurring in other states appearing here.

I ask for support for HB 2950 to keep reasonable control on the cost of campaigns in Kansas. It is vital to the future of our "citizen legislature" to not travel down the road of \$100,000 state House campaigns.

Spending limits are a legal and effective method of campaign reform. As long as the limits are voluntary, spending limits should easily meet the requirements of Buckley v. Valeo. Two states have adopted spending limits without any public financing of campaigns--New Hampshire and Vermont. HB 2950 is based on the laws in effect in New Hampshire and Vermont. According to a report in "State Legislatures" magazine of May, 1992, the New Hampshire law has been quite effective at controlling campaign costs. Of the 1,430 candidates on the ballot since the New Hampshire law went into effect, only five candidates declined to abide by the voluntary spending limits.

Spending limits are a real solution to the growing demand of money in political campaigns. Spending limits are legal and are working in Vermont and New Hampshire. Let's protect the integrity of our Kansas political system before we are irreversibly on the money chase.

I urge you to support campaign spending limits and support HB 2950.

I have provided two interest articles from NCSL's "State Legislatures" May, 1992 concerning this topic and supporting the statistics I have used.

Again, thank you for the opportunity to speak in support of HB 2950.



TOPEKA

HOUSE OF
REPRESENTATIVES

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HOUSE COMMITTEE APPOINTMENTS

JUDICIARY
FEDERAL & STATE AFFAIRS
GOVERNMENTAL ORGANIZATION & ELECTIONS

House Bill 2953

To: House Committee on Governmental Organization & Elections
From: Britt Nichols, State Representative
Date: February 15, 1996

Chair Dawson, Committee members and fellow conferees:

Thank you for the opportunity to appear before the committee in support of House Bill 2953.

HB 2953 is a very simple bill. It presents this committee with a simple policy question:

Does Kansas have campaign contribution limits?

Under current law, campaign contribution limits are contained in the campaign finance act. KSA 25-4153 limits contributions by any person or political committee to \$2,000 per cycle for state wide officials, \$1,000 for state senators and \$500 for most other elected officials. For those who want to avoid the application of these campaign limits, it takes little or no imagination to find the many contribution-sized loopholes in current law. Some quick examples of campaign contribution limitation avoidance measures:

- ◆ Ms. Biz, a successful entrepreneur, owns Corp. A, Corp. B and Corp. C. Ms. Biz and each of her controlled corporations can each give the maximum contribution in both the primary and general elections. Ms. Biz' spouse can also give the maximum amount allowed. Thus the Biz household has managed to lawfully contribute 5 times what many commonly believe to be the contribution limits.
- ◆ Likewise, if Company A owns (or sufficiently controls) Co. B, Co. C and Co. D, Company A can lawfully contribute 4 times to campaign contribution limit if it can direct its subsidiaries to make the contributions.
- ◆ Likewise, our current definition of the term "political committee" would permit a husband and wife (or any two other persons willing to do a little homework and spend no money) to form an unlimited number of political committees (with only a little fee and paperwork) and absolutely avoid any campaign limitations with only limited reporting and disclosure requirements.
- ◆ I leave it to your imagination to stretch these examples.

Room 182 West State Capitol Topeka, KS 66612 (913) 296-7541

HB 2953 provides a simple device to prevent this practice if you think it is a practice that should be curtailed.

HB 2953 would count, as a contribution by a person, all of the contributions made by any other person owned or controlled by the first person. The section incorporates the long standing test used to determine who is a related taxpayer for income tax purposes. It is not complicated. And, for the most part, the only people who will end up caring about whether it is applied will be people who are looking for ways to get around the limitations in the first place.

Subsection (j)(1) attributes to the donee all contributions made by persons, other than the spouse of a person, whose ownership interest would be attributed to that person under the IRC. Subsection (j) does the same thing for persons related to the donee's spouse. That way, each member of a married couple (or any non-married person) would be able to give the maximum contribution once. But only once. Persons they control would not be able to "double up" on their campaign contributions.

Subsection (j)(3) closes the PAC loophole by attributing major contributions made through PAC's back to the donee without penalizing "regular" people who contribute money to PACs. At the same time, subsection (j)(3) provides a "safe harbor" for anyone who doesn't want to accidentally violate the campaign contribution limits. Subsection (j)(3) permits all persons to give up to \$100 to as many PACs as they like without having those moneys attributed to the donee. Simply put, if you are a major campaign contribution donee and you don't want to risk campaign contribution limits violations, do not give more than \$100 to any person who is not a candidate or candidate committee. If you contribute more than \$100 to any political committee who then makes campaign contributions, you might be making an excess contribution. The rule of thumb will become: "Know where your contributions go." Perhaps, not a bad standard.

The simple question before this committee is, does Kansas want to have campaign contribution limits or not. If we do, then we need to have some device like HB 2953 in place. If we don't want to have any campaign contribution limits in place, then current law doesn't work just fine.

I ask the committee to favorably consider passage of HB 2953.

Thank you for your time and attention.

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Attachment 3-2


Britt Nichols

Statement To The
KANSAS HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS
by
Franklin W. Neff
Organizing Committee for the
Independence Party of Kansas

February 15, 1996

We citizens pay for roads in Kansas because we believe that we need to get to work and to play.

We citizens pay for education for children and adults because we believe that we need skilled and productive people and informed, thinking, concerned citizens.

We pay for people to determine our qualifications for driving because we believe that we need to increase the safety of our roads and highways.

We pay state employees to license or certify doctors, dentists, teachers, psychologists, realtors, chiropractors, engineers, lawyers, and so on, because we have learned that we must do so to insure the quality of services we receive.

In a democracy, is there any function more important than the process of choosing the people who will make the rules which determine how we shall live and which determine which of us will benefit and which of us will not?

If we pay for those other important but lesser functions, it only makes good sense for us citizens to pay for the elections which put those people into our legislature - that our elections be paid for with public money, not with money which is intended to buy votes favorable to a given group or individual.

If we do that, we can set it up so that our elected officials will only be beholden to us. They will not have to listen more often or more carefully to any special group or person - just to us citizens.

And we believe the elections can be done more cheaply than they are now. Limits can be put on the amount which can be spent. Such a system will have to be voluntary, but any candidate who doesn't follow it can be ostracized and ridiculed.

Turning to a second issue, if I read your calendar correctly, you have been addressing issues regarding gifts, entertainment, and hospital-

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ity. I believe they should be banned. However, the Interim Committee which addressed those issues was to come out with a recommendation that a law should be passed to require the reporting of such things. The intent was to get the information so the citizens could decide whether to vote for a legislator who received such inducements.

If that is the way the legislature will go, I strongly urge you to do what is necessary for that intent to be realized: Put money into the legislation which will pay for ads in each house and senate district reporting the amount and type of gift, entertainment, or hospitality and from whom it came. Putting such ads in newspapers will greatly increase the likelihood that citizens will know and will be able to use that knowledge in casting their votes. Without such ads, citizen knowledge will not be increased because the information will sit in the Commission Office, unused.

Strike a blow for the citizens of Kansas by insuring that the information is theirs.

KANSAS STATE BOARD OF TECHNICAL PROFESSIONS
NUMBER OF CURRENT LICENSEES
AS OF 12/95

			<u>Resident</u>	<u>Non-Resident</u>
ENGINEERS	8,242	69%	3,909	4,333
ARCHITECTS	2,390	20%	990	1,400
LAND SURVEYORS	899	8%	622	277
LANDSCAPE ARCHITECTS	402	3%	143	259
TOTAL CURRENT LICENSEES	11,933	100%	5,664	6,269
EIT'S	11,976			
Total with EIT'S	23,909			

CORPORATIONS:

ENGINEERING	281		150	131
ARCHITECTURE	154		91	63
LAND SURVEYING	76		58	18
LANDSCAPE ARCHITECTURE	14		11	3
TOTAL	525		310	215

NUMBER OF LICENSES EVER ISSUED

(These numbers are important since the board must keep records on these individuals since they may wish to reinstate, or the board may be requested to verify examination records to another jurisdiction).

INDIVIDUAL LICENSES:

ENGINEERING	13,884
ARCHITECTURE	4,049
LAND SURVEYING	1,233
LANDSCAPE ARCHITECTURE	584
EIT'S	11,976
TOTAL	31,726

CORPORATIONS:

	422
	228
	87
	21
TOTAL	758

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**POSSIBLE CRITERIA TO CONSIDER WHEN A NEW GROUP
REQUESTS STATE LICENSURE/REGISTRATION**

First, the practice of the trade or profession seeking registration must require that practitioners master a body of knowledge, skills and abilities not readily mastered by laypersons.

Second, the improper practice of the trade or profession must impact substantially the health, safety and welfare of the public.

Third, the members of the public at risk must be unable to protect themselves satisfactorily from injury without the intervention of the state.

Fourth, the trade or profession seeking registration must be willing to have the state develop rigorous entry criteria necessary and appropriate to protect the public at risk from unqualified practitioners.

Fifth, the trade or profession seeking registration must be willing to have the state regulate the actual practice of registrants to the extent reasonably necessary to protect the public.

Licensure and Regulation of Geologists
House Bill No. 2471 - Fiscal Note

1. New position \$17,688

Office Assistant II \$14,688
Associated Fringe Benefits 3,000

Related costs for new position: \$ 2,250

- Desk/Furniture \$ 550
- Computer terminal 1,500
- Phone 100
- 1 File cabinet 100

2. Board member costs:

Annual estimated expenditures for one (1)
board member \$ 2,273/
per board
member

- Salaries & Wages
(12 days of meetings @ \$38.00) \$ 456
- Postage (6 meetings @ \$3.00) 18
- Travel
(6 meetings at 200 miles each
way @ .29¢/mile) 696
Subsistence In-State (6 nights) 492
One out of state trip would be 611
airfare avg. = \$338
motel at 105 X 2 nights = \$210
9 quarters at 7.00/quarter = \$63

3. Computer programming: \$ 1,000

10 hours @ \$100/hr.

Modification to the current computer system

4. Lump-sum Examination costs - (1st yr.) \$21,000

- One-time exam access fee \$18,000
- ASBOG membership fee 3,000

5. Miscellaneous Office Expenses: \$ 2,825

- Postage \$2,100
- Printing 725

Sub-total lump-sum costs = \$47,036

+

PLUS AN EXAM COST OF \$325/PER
PERSON

House Bill No. 2471 - Fiscal Note
Continued Subsequent year costs

1. Continued staff position: \$18,202

Office Assistant II \$15,202
Associated Fringe Benefits 3,000

2. Annual board member cost: \$ 2,273

Annual estimated expenditures for one board member

- Salaries & Wages (12 days of meetings @ \$38.00) \$ 456
- Postage (6 meetings @ \$3.00) 18
- Travel (6 meetings at 200 miles each way @ .29¢/mile) 696
Subsistence In-State (6 nights) 492
One out of state trip would be 611
airfare avg. = \$338
motel at 105 X 2 nights = \$210
9 quarters at 7.00/quarter = \$63

3. Examination costs: \$ 5,300

- Annual ASBOG membership fee \$ 3,000
- Room rental 2,000
- Freight, delivery & office supplies 300

4. Office Expenses: \$ 1,000

- Postage \$ 600
- Printing 400

Sub-Total Lump-sum costs \$26,775

+

Exam cost per person: \$ 325/
per exam candidate

On-going biennial renewal fee \$ 50/
per person