

Approved: 3-24-97
Date

MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT COMMITTEE.

The meeting was called to order by Chairperson Janice Hardenburger at 1:45 p.m. on March 18, 1997 in Room 529-S of the Capitol.

All members were present.

Committee staff present: Dennis Hodgins, Legislative Research Department
Mike Heim, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Bonnie Fritts, Committee Secretary

Conferees appearing before the committee: Carol Williams, Executive Director, Kansas Commission on Governmental Standards and Conduct
Bruce Dimmitt, Independent

Others attending: See attached list

The Minutes of March 12 and 13, 1997, were distributed for review.

Senator Steineger made a motion to approve the minutes. Senator Becker seconded the motion. The motion passed.

Chairperson Hardenburger opened the hearing on **HB 2315**.

HB 2315 **Concerning campaign finance; relating to certain reports; relating to contributions**

Staff gave an overview of the bill. It permits a candidate to use campaign funds to make contributions or pay membership dues to any community service, civic, educational, youth, recreational, charitable, religious, scientific or literary organization or any organization which promotes or facilitates the social, business, commercial or economical well being of the local community.

There was discussion on how often campaign reports are due.

Carol Williams appeared before the committee to explain the bill. She stated the Commission does not take a position on the bill. **HB 2315** was a direct result of an advisory opinion issued by the Commission in May of 1996. The opinion states that an expenditure from a campaign fund must be for a legitimate campaign purpose or an expense to holding office and it must have a direct connection with or effect upon the campaign of the candidate or the holding of public office. The bill prohibits a candidate from paying him or herself interest or finance charges from the campaign bank account for any money the candidate loans to the campaign. She submitted examples of permissible and impermissible expenditures from campaign funds for committee review (Attachment 1).

There was discussion on what happens to office equipment that was purchased for campaign use, or leftover funds from a campaign if the candidate loses the race or, for some reason, decides not to run for re-election. Carol Williams replied that equipment purchased for campaign use is theirs to keep, and leftover money in a campaign fund may be kept if that person intends to seek office again. Money from a campaign fund cannot be used for personal use. If that person does not intend to seek office, then leftover campaign money should be returned to the party that donated it, or donated to charity, or to that candidate's political party, or to the state's general fund. She also stated that if a person that intends to seek office again in the future, keeps those funds, that person is still required to file an annual expenditures report with the Commission.

Chairperson Hardenburger stated she does not support the bill. She said she contributes to a lot of campaigns, and when she gives that money, she wants that money to be used to elect somebody, not used to enhance their standing in the community or to promote or facilitate the social, business, commercial or economic development of a community. When she donates to a campaign, she expects that money to be used to buy brochures and other campaign material, used for auto expenses, but not for memberships in organizations that she may not endorse.

Senator Becker respectfully disagreed. He believes that when money is donated, those who donate want to make sure that he does everything he can to communicate with the public and take part in what goes on in the

community.

Senator Praeger noted that when people give to campaigns, they are contributing because they have faith that the candidate will exercise good judgement and make decisions that are in the best interest of the community.

Senator Lawrence stated that campaigns in large cities are a great deal different than those campaigns run in smaller communities, and campaign funds are used much differently.

Senator Gooch agreed saying that in smaller communities, everyone knows who you are, but you have to make yourself available in metropolitan areas by making more public appearances.

Bruce Dimmitt, Johnson County, addressed the committee in opposition of the bill. He said he is uneasy about the bill stating he sees it as a "re-electing incumbent" bill.

Chairperson Hardenburger closed the hearing on the bill.

Senator Becker made a motion to move the bill out favorably. Senator Lawrence seconded the motion. The motion passed.

Action on HB 2223.

HB 2223 Concerning cities; relating to improvements

Senator Vidricksen made a motion to pass the bill. Senator Huelskamp seconded the motion. The motion carried.

The meeting was adjourned at 2:25 p.m.

The next meeting is scheduled for March 19, 1997.



KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

Testimony before Senate Governmental Organization and Elections
House Bill 2315
by Carol Williams
March 18, 1997

House Bill 2315 would amend K.S.A. 25-4157a which is a provision of the Campaign Finance Act.

This bill was introduced as a direct result of an advisory opinion issued by the Kansas Commission on Governmental Standards and Conduct in May of 1996. The Commission opined that membership dues to civic or fraternal organizations as well as donations to charities and local fundraising endeavors were not permissible expenditures from a candidate's campaign fund. Advisory Opinion No. 96-16 is attached for your review.

House Bill 2315 would permit a candidate to use campaign funds to make contributions or pay membership dues to any community service, civic, educational, youth, recreational, charitable, religious, scientific or literary organization or any organization which promotes or facilitates the social, business, commercial or economic well being of the local community.

In addition, this bill would prohibit a candidate from paying him or herself interest or finance charges from the campaign bank account for any money the candidate loans to the campaign.

The Commission believes this to be a legislative policy decision and does not take a position on this bill.

SENATE ELECTIONS +
LOCAL GOVERNMENT
3-18-97
ATTACHMENT 1



KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

May 22, 1996

Opinion No. 96-16

TO ALL INTERESTED PERSONS:

Pursuant to K.S.A. 25-4159, the Kansas Commission on Governmental Standards and Conduct takes the opportunity to issue its opinion on the permissible use of campaign funds by candidates and elected office holders who are under the purview of the Kansas Campaign Finance Act (K.S.A. 25-4142 et seq.).

OPINION

K.S.A. 25-4157a(a) states:

"No moneys received by any candidate or candidate committee of any candidate as a contribution under this act shall be used or be made available for the personal use of the candidate and no such moneys shall be used by such candidate or the candidate committee of such candidate except for legitimate campaign purposes, for expenses of holding political office or for contributions to the party committees of the political party of which such candidate is a member.

For the purpose of this section, expenditures for "personal use" shall include expenditures to defray normal living expenses for the candidate or the candidate's family and expenditures for the personal benefit of the candidate having no direct connection with or effect upon the campaign of the candidate or the holding of public office."

To be a permissible use of campaign funds, an expenditure must be for a legitimate campaign purpose, an expense of holding political office or a contribution to a party committee. In order to be a "legitimate campaign purpose or an expense of holding political office", the expenditure must have a "direct connection with or effect upon the campaign of the candidate or the holding of public office". All other expenditures are for personal use, and thus are prohibited. The Commission has provided the following examples of expenses to be used as a guide for candidates and office holders when making an expenditure from campaign funds.

EXAMPLES OF PERMISSIBLE EXPENDITURES FROM CAMPAIGN FUNDS

Computers, Telefacsimile Machines and Cellular Telephones

While expenditures for these types of items may be necessary for campaign purposes or holding office, they also have the potential to be used for the personal benefit of the candidate. Therefore, the Commission advises all candidates and office holders to refrain from using any items, purchased with campaign funds, for his or her personal use. Items purchased entirely with campaign funds may not be used for personal use.

Advertisements in Publications

The purchase of campaign ads in publications of charitable and civic organizations, yearbooks, school papers, etc., is a permissible expenditure.

Payment of Auto Expenses

One of the following options can be selected for the payment of auto expenses:

1. A candidate or officeholder can be reimbursed from his or her campaign fund for auto expenses up to \$.29 per mile. Any extraordinary maintenance or repairs will be determined on a case-by-case basis.
2. A candidate or officeholder can be reimbursed from his or her campaign fund for gas, oil and normal maintenance for automobiles used on campaign business. Any questions about what constitutes normal maintenance will be decided on a case-by-case basis.

Detailed records of these expenditures must be kept to substantiate any legitimate auto expenses.

Meals for Campaign Workers

Meal expenses may be permissible as a legitimate expense. However, the simple description of "lunch" or "food" on a candidate's receipts and expenditures report will not be sufficient to justify the expense. It will be necessary for the expenses of the meal to be described as for a campaign meeting, a political planning or strategy session, or for a campaign work session to be allowable.

EXAMPLES OF IMPERMISSIBLE EXPENDITURES FROM CAMPAIGN FUNDS

Donation to Charities and Local Fundraising Endeavors

Donations or contributions to charities and local fundraising endeavors, no matter how worthy the cause, are not permissible. This prohibition includes buying livestock at 4-H fairs.

Memberships to Civic and Fraternal Organizations

Dues to these types of organizations are not allowed. This prohibition includes membership dues paid to Chambers of Commerce, Kiwanis and Rotary.

Memberships and Dues to Country Clubs and Private Dinner Clubs

Expenditures for memberships and dues to country clubs and private dinner clubs are considered to be for the personal benefit of the candidate or office holder and thus are prohibited. The Commission does not believe it is necessary to entertain state clients, constituents or campaign workers at private clubs when there are facilities available to the general public that do not require memberships.

Mailing of Christmas cards and purchase of office decorations

These types of expenditures are considered to be for the personal benefit of the candidate or office holder and thus are prohibited.

Purchasing or Renting Formal Wear for Governmental and Political Functions

Expenditures for buying or renting formal wear are considered to be for the personal benefit of the candidate or office holder and thus are prohibited.

In closing, the Commission suggests that candidates and office holders seek guidance from the Commission's staff prior to using any campaign funds for expenses that may be considered questionable.

Nothing in this opinion precludes a candidate or office holder from using his or her own personal funds for the payment of any of these expenses.

Sincerely,

Diane Gaede

Diane Gaede, Chairwoman
By Direction of the Commission

DG:WCS:dlw