

Approved: 2-3-98  
Date

MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT COMMITTEE.

The meeting was called to order by Chairman Janice Hardenburger at 1:30 p.m. on January 28, 1998 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  
Graceanna Wood, Committee Secretary

Conferees appearing before the committee: Dan Hermes, Director of Governmental Affairs  
Linda DeCoursey, Kansas Insurance Department  
Ron Thornburgh, Secretary of State

Others attending: See attached list

Chairman Hardenburger continued hearings on **SB 430**.

Senator Gooch made a motion to double the threshold amount of money for reporting requirements, seconded by Senator Steineger. Motion Carried.

The Committee discussed the definition of "independent expenditures". Staff provided the Committee with a definition from Chapter 14 of the Federal Election Campaign Laws. (Attachment#1)

Chairman advised the Committee that this bill would be further discussed tomorrow.

Chairman Hardenburger opened hearings on **SB 431**. Staff gave a review of the bill which would include all unclassified employees.

First conferee, Dan Hermes, Director of Governmental Affairs testified as a proponent of the bill. This bill was requested for introduction by the Governor. (Attachment#2)

Second conferee, Linda DeCoursey, Kansas Insurance Department, stated the Kansas Insurance Department should be included in the prohibition of this bill. (Attachment#3)

Third conferee, Ron Thornburgh, Secretary of State, supported passage of **SB 431** and stated the Secretary of State's Office should be included. (Attachment#4)

Chairman advised that State Treasurer, Sally Thompson provided written testimony only. She would also like to include the State Treasurer's Office under the ethic guidelines. (Attachment#5)

Chairman Hardenburger stated further discussion on **SB 430** and **SB 431** will be held tomorrow.

Meeting was adjourned at 2:10 p.m.

Next meeting will be at 1:30 p.m. January 29, 1998.

# ELECTIONS & LOCAL GOVERNMENT COMMITTEE GUEST LIST

DATE: January 28, 1998

NAME	REPRESENTING
Tom Wilder	Kansas Insurance Dept
Jinda McCoursey	KS Insurance Dept
Ann Hornsby	KS Insurance Dept
Harrisa Lange	Ks Assn of B' Casters
Craig Grant	KNEA
Keith Haxton	SEAK
Bruce Dimmitt	Independent
Barbara Withers	AARP - LWV Manhattan
Dr. Mariani	Dept. of Adm.
Pat Morris	KAIA
Chuck Knapp	SOS
Brad Bryant	"
Ron Thorburgh	"
Morica Lewinsky	Revlon International
Dan Mermes	Gov's Office
DeAnna Peter	Governor's office

- connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;
- (2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and
  - (3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;
- (ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: Provided, That -
    - (1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;
    - (2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and
    - (3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and
  - (x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or the appropriate State official.
- (10) The term "Commission" means the Federal Election Commission.
  - (11) The term "person" includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.
  - (12) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.
  - (13) The term "identification" means -
    - (A) in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer; and
    - (B) in the case of any other person, the full name and address of such person.
  - (14) The term "national committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.
  - (15) The term "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.
  - (16) The term "political party" means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.
  - (17) The term "independent expenditure" means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.
  - (18) The term "clearly identified" means that -
    - (A) the name of the candidate involved appears;
    - (B) a photograph or drawing of the candidate appears; or
    - (C) the identity of the candidate is apparent by unambiguous reference.
  - (19) The term "Act" means the Federal Election Campaign Act of 1971 as amended.

**Elec. & Local Gov.**

**Date:** 2-28-97

**Attachment:** # 1

# STATE OF KANSAS

BILL GRAVES, Governor  
State Capitol, 2nd Floor  
Topeka, Kansas 66612-1590



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## OFFICE OF THE GOVERNOR

### LEGISLATIVE TESTIMONY

TO: Chairperson Janice Hardenburger and Members of the Senate Committee on Elections and Local Government

FROM: Dan Hermes <sup>Dan</sup> Director of Governmental Affairs

DATE: January 28, 1998

SUBJECTS: SB 431 — Expansion of Gift and Hospitality Ban

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Madam Chairman and members of the committee, thank you for the opportunity to appear in support of this portion of the Governor's recommendation for ethics and campaign finance reform for the 1998 Legislative Session.

Last session the Legislature passed, and the Governor signed, a bill to eliminate gifts and restrict hospitality for all executive branch classified employees and unclassified employees whose compensation was set by the Governor.

This does not include a group of employees that are under the Governor's direction. These employees have their salary set by the governing board. This bill would extend the law to apply to unclassified employees in the executive branch with the following exceptions:

- Attorney General and employees
- Insurance Commissioner and employees
- Secretary of State and employees
- State Treasurer and employees
- Regents universities

This will increase employees subject to restrictions by nearly 290 employees. To give you an example, the current ban does not apply to Commission on Governmental Standards and Conduct employees. This bill would include these employees.

Statewide elected officials are not included in the bill for a simple reason -- the Governor believes that they are responsible to all Kansans and he should not make the decision for them. This measure goes a long way in improving the public trust in the process, and the Governor

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would support expansion of the bill to include statewide elected officials interested in being included in the measure, as well as other branches of state government.

On behalf of the Governor, I urge favorable consideration of this measure by the committee. Thank you for the opportunity to appear before you today in support of this measure. I would be happy to answer any questions you may have on the provisions of this bill.



**Kathleen Sebelius**  
Commissioner of Insurance  
**Kansas Insurance Department**

**M E M O R A N D U M**

To: Senate Committee on Elections and Local Government

From: Linda De Coursey  
Assistant Director of Governmental & Public Affairs Division

Re: SB 431 - Act concerning state officers and employees; relating to governmental ethics

Date: January 28, 1998

Madam Chair and members of the Committee:

Thank you for the opportunity to appear before you on SB 431. As the bill currently reads, the provisions of SB 431 would not apply to officers and unclassified employees of the insurance department.

Last year the Legislature passed HB 2064, which enacted language regarding lobbying and lobbyists, contracts, a revolving door for employment of state employees, and the Governor's requested gift ban for all classified employees in the civil service and the governor, the lieutenant governor, the governor's spouse, and unclassified employees in the executive branch. Upon the passage of that legislation, Commissioner Sebelius decided that all Kansas Insurance Department employees should be under the same rules as other state employees. She requested full compliance with the new law for Kansas Insurance Department (KID) employees. I have attached a memo written by the general counsel of the Kansas Insurance Department on that subject. In essence, the employees have been complying with the law since July, 1997.

On December 1, 1997, Commissioner Sebelius announced her 1998 legislative package which included ethics proposals to:

Prohibit insurance industry and agent contributions to the Insurance Commissioner or candidates for that office;

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**Attachment:** # 3

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Prohibit the Commissioner from working for the insurance industry for one year after leaving office, and

Add the Insurance Department to the gift ban statute passed last year for the Governor and the executive branch.

Since the Kansas Insurance Department employees have already been complying with the law and, since it is part of the Commissioner's legislative package, we respectfully request your consideration to amend SB 431 to specifically include the insurance commissioner and unclassified employees employed by the commissioner of insurance. I have attached a copy of our suggested changes.

Thank you for your attention, and I will be happy to stand for questions.

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# MEMORANDUM

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**DATE:** July 1, 1997

**TO:** Commissioner Sebelius, Bob Kennedy, Tom Wilder, Kathy Greenlee, Rich Huncker, Marlyn Burch, Bill Wempe, Ed Mailen, Don Gaskill, Marty Kennedy, Jamesina Evans, Karen Wittman, Anne Haught, JaLynn Copp, Peggy Gatewood, Paula Greathouse, Damian Hornick

**FROM:** Brian J. Moline  
General Counsel

**RE:** Application of HB2064

Several KID employees have asked questions regarding application of HB 2064, which amends the state conflict of interest law effective today. Although the legislation technically may not apply to KID employees, the Commissioner has determined that KID employees should be under the same rules as other state employees and full compliance with the new law is expected.

The essence of HB 2064 is that it removes the \$40 threshold for all state employees, classified or unclassified, on soliciting or receiving anything of value in their official position. The key provision is New Sec. 4(a)(6)(b):

No person subject to the provisions of this section shall solicit or accept any gift, economic opportunity, loan, gratuity, special discount or service provided because of such person's official position.

The bill lists several exemptions to the general provisions:

- Those with an aggregate value of less than \$40.00 given at a ceremony or public function to a person accepting the gift in that person's official capacity. An example would be a speaking engagement where a coffee cup, inexpensive calculator or ball point pen is presented as an honorarium;
  - Those given by friends not associated with a person's official position. But where the personal friend interacts with the employee in their official position, the exemption would not apply;
  - Those received on behalf of the state that become state property;
- and
- Contributions solicited on behalf of a tax exempt non-profit organization.



### MEALS

Solicitation or acceptance of free or discounted meals outside state government is prohibited except where:

- Meals are provided by personal friends or family members. But where the personal friend interacts with the KID employee in an official capacity, the exemption would not apply;
- Meals provided at a widely attended event. A widely attended event is described as an occasion at which it is obvious that the motivation for providing the meal is not to gain exclusive access to a state official. An example would be the annual reception held by the Kansas Independent Insurance Agents. The reception is a widely attended event including legislators, other state officials, numerous Independent Agents and KID employees. On the other hand, a small lunch or dinner between industry representatives and KID personnel would not be a widely attended event;
- Meals provided at public events attended as part of official business;
- Soft drinks, coffee, and snack foods which are not part of a meal.

Remember the prohibition applies only to the solicitation or acceptance of the free or discounted meal. KID employees may dine at any time with anyone they desire when they pay for their own meal, drinks or recreation.

Solicitation or acceptance of free or special discounted travel or associated expenses from a source outside state government is prohibited unless the travel given is not associated with a person's official position (e.g. an employee's non-job related avocation such as coaching, teaching and the like), or unless the person's presence serves a legitimate state interest and is authorized by that person's state agency. An example would be participation in a panel discussion or presentation of a paper at an industry sponsored event where the agency approves free or discounted expenses. The exemption would not extend to an honorarium or prize where the aggregate value is more than \$40.

Soliciting or accepting fee or discounted tickets or access to entertainment, recreation or sporting events is prohibited unless a person's official state position requires them to attend the event. For example, free or discounted green fees at a golfing occasion where KID employees and industry representatives are present. However, such an occasion could become a "widely attended event" and thus permissible.

Any close questions will be addressed upon written request to the Kansas Commission on Governmental Standards and Conduct.

**Division Heads are requested to share this memorandum with KID employees.**

SENATE BILL No. 431

By Committee on Elections and Local Government

1-14

9 AN ACT concerning certain state officers and employees; relating to gov-  
10 ernmental ethics; amending K.S.A. 1997 Supp. 46-237a and repealing  
11 the existing section.

12

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

14 Section 1. K.S.A. 1997 Supp. 46-237a is hereby amended to read as  
15 follows: 46-237a. (a) The provisions of this section shall apply to:

16 (1) The governor;

17 (2) the lieutenant governor;

18 (3) the governor's spouse;

(4) the insurance commissioner;

19 ~~(5) (4)~~ all classified employees in the civil service of the state of Kansas;

20 ~~(6) (5)~~ *except as provided herein*, all unclassified employees in the ex-  
21 ecutive branch of state government whose compensation is subject to

22 approval by the governor pursuant to K.S.A. 75-2935b, and amendments

23 thereto. *The provisions of this section shall not apply to officers and un-*

24 *classified employees of the insurance department, attorney general, state*

25 *treasurer or secretary of state. The provisions of this section shall not*

26 *apply to unclassified employees of state institutions under the control and*

27 *supervision of the state board of regents; and*

(7) all unclassified employees employed by the commissioner of insurance and

28 ~~(8) (6)~~ all members of boards, commissions and authorities of the exec-

29 utive branch of state government.



Ron Thornburgh  
Secretary of State

2nd Floor, State Capitol  
300 S.W. 10th Ave.  
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## STATE OF KANSAS

### Senate Committee on Elections and Local Government

#### Testimony on SB 431

Ron Thornburgh, Secretary of State

January 28, 1998

Madam Chair and Members of the Committee:

Thank you for the opportunity to appear before the committee to recommend passage of Senate Bill 431. This is one of many ideas that need to be passed into law to begin the process of restoring the public's faith in our political system.

In the past few years we have seen many proposals and heard a lot of talk about strengthening the ethics rules for elected and appointed public officials, but we don't often see the best and strongest ideas enacted. My talks with constituents have convinced me that the public perception of politics and politicians is still very negative. They don't trust us to do the right thing. They don't think we have the political will to establish clear ethical standards, live by them and enforce them.

The Legislature has a chance with SB 431 to take a step in the right direction. I have always believed it to be my duty as chief state election officer to hold myself and my staff to the highest ethical standards. Accordingly, the provisions of SB 431 have already been made the internal policy in my office. I believe this policy should be made into law. I would not presume to speak for other elected officials, but for my part, I recommend including the Secretary of State's office in the prohibition against receiving gifts by striking the words "secretary of state" from Section 1, line 25 of the bill.

Thank you for your consideration. As always, my staff and I will do our best to provide you with needed information during your deliberations.

**Elec. & Local Gov.**

**Date:** 1-28-98

**Attachment:** # 4



STATE OF KANSAS

**Sally Thompson**  
TREASURER

900 SW JACKSON, SUITE 201  
TOPEKA, KANSAS 66612-1235

TELEPHONE  
(913) 296-3171

**State Treasurer Sally Thompson  
Written Testimony: SB 431  
Elections & Local Government Committee  
January 28, 1998**

Senator Hardenburger and Members of the Committee:

Please consider this written testimony my support for the inclusion of unclassified employees within the state treasurer's office under the ethics guidelines outlined in SB 431.

As an elected official, I firmly believe that my job is to preserve the public's trust in government. I support efforts that hold all public employees—classified and unclassified—to a high standard of ethical behavior.

SB 431 represents a fair, innovative approach to the complex issue of monitoring transactions between state employees and outside interests. This bill is a clear winner for Kansas taxpayers.

**Elec. & Local Gov.**

**Date:** 1-28-98

**Attachment:** #5