

MINUTES OF THE HOUSE GOVERNMENTAL ORGANIZATION & ELECTIONS.

The meeting was called to order by Chairperson Rep. Lisa Benlon at 3:35 P.M. on January 26, 2000 in Room 521-S of the Capitol.

All members were present except: Douglas Johnston (E)  
Margaret Long (A)  
John Topliker (A)

Committee staff present: Dennis Hodgins, Research  
Mary Galligan, Research  
Theresa Kiernan, Revisor  
Lisa Montgomery, Revisor  
Dee Woodson, Committee Secretary

Conferees appearing before the committee: Dana Fenton, Johnson County  
Shirley Moses, Director of Accounts and Reports  
Dan Hermes - Governor's Office  
Brad Bryant - Secretary of State's Office  
Carol Williams - Governmental Ethics Commission  
Linda DeCoursey - Kansas Insurance Department  
Kevin Robertson - Kansas Dental Association  
Joyce Luschen - United We Stand America Kansas  
Edward Rowe - League of Women Voters of Kansas

Others attending: See attached list.

Chairman Benlon called for introduction of bills. Dana Fenton, Intergovernmental Relations Coordinator for Johnson County, requested introduction of a bill to expressly allow county governments to sell, lease, license, and copyright computer software. The reason for this request is they have had inquiries from other counties throughout the state requesting to purchase some of the software Johnson County has developed in-house or through vendors. He said their legal counsel has reviewed those requests and reviewed the law. Legal Council stated he did not believe they have firm legal authority to authorize that. Mr. Fenton added that the Association of Counties did endorse this proposed bill at their conference in November in Overland Park. Representative Powers made a motion to introduce the bill, seconded by Representative Huff, and the motion carried. (Attachment 1)

Brad Bryant, Deputy Assistant Secretary of State on Elections and Legislative Matters, requested introduction of two separate bills. The first bill deals with election administration and deleting a requirement for first class mail on certain official election mailings by counties. The second bill would grant the Secretary of State authority to designate alternative methods for the distribution of ballots to voters in emergencies. (Attachment 2)

Representative Powers made a motion to have the bills drafted, and it was seconded by Representative O'Connor. The motion carried.

Before the Chair opened the hearing on **HB 2627**, there were a few individuals who are here to further discuss **HB2323**, which was heard last Monday, regarding credit cards and personal checks.

Shirley Moses, Director of Accounts & Reports for the Department of Administration, provided testimony that was the results of a survey her Department sent out to all state agencies. (Attachment 3) Under the Department of Administration there is a statute (K.S.A. 75-37,100) which gives the Secretary of Administration the authority to do a state-wide bid for credit cards and acceptance for the banking arrangement. She recommended language that would protect the State from losing bank fees but not incur unreasonable fees to the licensee. She said in October 1999, Accounts and Reports started the survey to determine state agencies interests in accepting credit card payments. As their Department looks at E-Government, E-Business, and Internet opportunities; there are several boards and agencies that are small and renew licenses, and it would be great if they could fill out their form on the Internet. Ms. Moses

## CONTINUATION SHEET

shared the results of the survey in her testimony. Fourteen state agencies are currently accepting credit cards to some extent. Forty state agencies are interested. \$25M in current transaction values the state is doing right now. Agencies have identified \$240M in potential fee transaction values. Think there would be a much greater transaction value if we made some arrangements for tax payments this way also. She would argue that the \$240M is probably a low number because, she doesn't think the agencies really understand all the potentials and believes it will actually be even larger when other departments are included. Currently the Director of Purchasing, Department of Administration and Ms. Moses are working on an RFP for state-wide credit card acceptance, and it is very near completion. This work group has decided to do an RFI, Request for Information, to make sure they have a complete understanding before consummating a state-wide contract, and that it is also in the best interest of the State of Kansas. The group has had some preliminary discussions and interest expressed in having a web site designed whereby they could have some kind of up front situation where the citizen, board, or whomever would fill out an application, include their credit card number, send their transaction across the way, and then get their license back. Other topics would be the need for legislation to permit a surcharge or convenience fee for acceptance of the credit card payments so that the state agency or the state would not be losing any revenues. Also, if there would be a potential loss of revenues resulting from a discount fee, we need to look at recovering those fees. The ability of state agencies to accept payments by credit cards without a loss of revenues could greatly enhance with minor modifications, and the agency has some recommended language to amend this proposal.

Chairperson Benlon stated there are Committee comments that they either personally had this problem or a constituent had talked to them about a problem with some of the agencies that are currently accepting credit cards, and are requiring astronomical fees for the use of credit cards. Chairman Benlon shared that the Committee felt the \$8.00 fee charged for a copy was unrealistic, and would like to see that lowered. The Chair had talked to the State Treasurer, and he said if we could get state-wide usage for credit cards, we could get the dollar amount so low that it would be a very minimal fee.

Shirley Moses commented further that when looking at the buying power of a quarter of a billion dollars, that clearly gives the State some negotiating leverage, and then aligning with the Director of Purchases, John Houlihan. Just by utilizing the volume discount, we can set the standard on this contract as to what they will be charged.

Representative Huff inquired regarding the negotiation for a credit card if they negotiated for only one credit card or did they come up with several, i.e. Visa, Master Card, etc.

Shirley Moses responded that they have consulted with experts from other states as to how they did it when selecting credit card companies. Her Department was advised to go out and get bids from the four major companies that are used for this area which are American Express, Discover, Visa and Master Card. If you try and do it with one company, your program is not going to be successful. The Department of Administration will look at all four of those companies, and also look for a prime contractor like American Express. The prime contractor would work out the arrangements and subcontract with Visa and Master Card, etc. Purchasing wants to have one bank to deal with, and one who they would go back to get the good terms of a contract. She further elaborated on the benefits of a credit card contract in standardization for state-wide utilization.

Representative Huff stated that Kansas should have legislation that wouldn't allow certain Departments to opt out on this, and every state agency should be able to accept this form of payment. Shirley replied that the Committee might want to refer to the Purchasing Statutes, and asked John Houlihan, Director of Purchasing, to clarify this subject. Mr. Houlihan explained what he would do is award state-wide departmental contracts which would require all state agencies to use this contract no matter who the financial institution is. He also said it was something he does now. He shared that he would expect to have about a 1% charge from a contract instead of 4 to 5% which is charged by the smaller companies.

Representative Horst asked if this would cover Regents universities as well as let undergraduates also use the credit card payment form.

Shirley Moses explained in regard to the Regents that the \$25 convenience fee is enabling students to enroll via the telephone and for not having to go on campus. They do accept credit card payment as part of that, and also confirmed that credit cards are not accepted on campus as a payment form. Those are the

## CONTINUATION SHEET

types of issues her Department wants to encompass and to capulate in the RFP. In fact right now the Regents can develop their own RFP, and they have the credit card capability with a contract, but in fact they are not going to do that.

Representative O'Connor had a question regarding whether the cities and townships would join in on this and the state would bill them for their usage. Shirley Moses responded that the cities and townships would have their own contract as the state would not want to be liable for them. The state's contract would only cover state agencies. Currently her department is researching how other states are handling this, and in particular Nebraska who is going to do this it for under 1%. We are looking at that model and other states. Also we are looking at Georgia who is using the Internet credit cards, and they are like No. 1 in the nation in this regard.

Chairman Benlon asked if there was anyone else present that wanted to speak to this bill. There being none, the Chairman announced that the Committee would work this bill on Monday, January 31.

Chairman Benlon opened the hearing on **HB 2627** - governmental ethics; establishing requirements regarding gifts and hospitality.

Dan Hermes, Director of Governmental Affairs for the Governor's Office, who sponsored the bill, gave an overview of this proposed bill sponsored by the Governor in an attempt to strengthen state ethics laws in Kansas. The bill in front of the Committee has two distinct parts. First the bill would extend the existing executive branch gift and hospitality ban to all employees of the executive branch. The only ones that are currently covered are classified employees and unclassified employees who are under the Governor's direct control. Secondly, the bill would require that lobbyists report the gifts, meals and hospitality they provide. As you know the previous ban discussed did not impact each of the legislative or judicial branch employees. This proposal does not ban the acceptance of gifts and hospitality. It only requires that it is disclosed for the legislative and judicial branches. ([Attachment 4](#))

Questions were raised regarding the exemptions that were listed. General discussion continued regarding the wording, "widely attended", and also on the accuracy of the reporting of actual attendees. The concern that it is often erroneously reported that legislators attended free concerts or took trips left impression that all legislators took advantage of these activities when in fact they did not. One committee member commented that they all take the "heat" even though they did not participate. Nobody knows who actually went on the various trips or attended concerts, but several committee members expressed they felt the "lumping" of all legislators together was very unfair. The clarification of what was meant by the meals and entertainment caused some confusion as a ball game is a meal and entertainment, but mostly entertainment. Mr. Hermes deferred this area to Carol Williams, Executive Director of the Governmental Ethics Commission, for her later testimony.

The second proponent to testify was Brad Bryant, Deputy Assistant Secretary of State for Elections and Legislative Matters, and he represented the Secretary of States Office. He spoke in favor of this proposed bill as all employees of the Secretary of State's Office are unclassified. The main substance of this bill was adopted several years ago by his department as office policy. He expressed the importance of passing such a bill to enhance the perception of the public regarding gifts. ([Attachment 5](#))

Carol Williams, Executive Director of the Governmental Ethics, (proponent), stated that the first part of the bill before the Committee today was originally a recommendation made by the Kansas Governmental Ethics Commission in 1997. She explained the difference between classified and unclassified employees and what they could accept in regard to gifts, meals, recreation, or concerts. She explained the passage of this bill would clarify some of the inequities and confusion that previous legislation has caused. The second part of this bill calls for improved reporting by lobbyists of their expenditures and the itemization of gifts and hospitality and the name of the recipient. It will also eliminate the aggregate totals reported for events. She included examples of reporting forms with her written testimony. ([Attachment 6](#)) She also elaborated on the "widely attended" phrase used, and gave examples explaining the relevance of this wording.

Committee questions and discussion followed with points of clarification made by Carol Williams regarding the "widely attended" wording involving such events as a delegation meeting where not everyone is invited, but the few who do attend their names go on the list. Also inquiry was made

## CONTINUATION SHEET

regarding penalties and fines.

Representative O'Connor recounted that the reporting forms are useless in their present format. She would like to see a form drafted by Carol based on the kind of requests that she gets and what she actually sees that would give the right kind of information.

Linda DeCoursey, Director of Government Affairs, Insurance Department, (proponent) commented on the gift ban portion of **HB 2627**. Linda disclosed to the Committee that several years ago Insurance Commissioner Sebelius decided that her Department would follow the Governor's requested gift ban for all classified employees plus his direct staff. Since July, 1997, all employees of that department have complied with the law. (Attachment 7)

Kevin Robertson, Executive Director of the Kansas Dental Association, (proponent) appeared before the Committee today in the capacity as president of the Kansas Society of Association Executives. The KSAE is an organization made up of 171 professional and trade associations as well as 47 members who are largely corporate and contract lobbyists. The KSAE expressed that this bill would cause an increase in paperwork, but would not be overly burdensome. Mr. Robertson stated that introduction and passage of bills like HB 2627 definitely will assist the legislature in proper reporting of lobbying activities in order to adequately protect the public. (Attachment 8)

Committee discussion included concerns expressed about how the food and beverage was split out. The non-alcohol drinkers felt that they should not be grouped with the ones that are alcohol drinkers. Also, the question of donations by lobbying groups made to events such as the Governor's Ball, the recent millennium celebration and other special activities are not considered lobbying and are not reportable. These activities are not legislative related, are not trying to influence votes, nor are they a campaign function.

Joyce Luschen, Co-Chairman for United We Stand America Kansas, (proponent), testified regarding the unfair figures reported on lobbying reports because of total expended being divided by the 165 legislators instead of the actual number that attended the various events. Ms. Luschen addressed the "widely attended" wording within the bill as meaning the reporting would only be done with very small gatherings that are considered to be "exclusive access". Therefore, she reasoned that most legislators would never be named on these reports. United We Stand America Kansas urged the Committee to pass this bill out of Committee and on to the floor. (Attachment 9)

Edward Rowe, volunteer lobbyist for the League of Women Voters of Kansas, (proponent), explained the League's national position of support regarding lobbying disclosure reform to provide information on pressures exerted on policy-making process and guarantee citizens access to influence the process. He stated there was an attempt back in 1993 and 1994 by an appointed task force to draft a bill that would reform lobbying, but the proposed changes did not get a Committee hearing. Mr. Rowe said that **HB 2627** is an incremental change in lobby rules and an attempt to level the playing field for all who seek to influence legislators. (Attachment 10)

Following questions from the Committee, Chairperson Benlon closed the hearing on **HB 2323**.

The Chair adjourned the meeting at 5:40 p.m. The next meeting of the House Government Organization and Elections Committee will be Monday, January 31, 2000, in Room 521-S.

House Governmental Organization  
and Elections  
Guest List

1-21-00

Your Name	Representing
Jayne P. Luschen	United We Stand America
Edward Rowe	LEAGUE OF WOMEN VOTERS / KS
Don & Lois Kellogg	United We Stand America
Peggy & Lou Nelson	UNITED WE STAND AMERICA
KETH R LANDIS	CHRISTIAN SCIENCES COMMITTEE ON PUBLICATION FOR KANSAS
Brad Bryant	Sec. of State
DICK CARTER, JR	BARBEE & ASSOCIATES
Ed & Myrri Perry	United We Stand America
Nancy Taylor	Johnson County
<del>John</del>	<del>SAE</del>
Ver Gannaway	GEC
Cool Williams	GEC
Pat Johnson	Bd of Tech Prof
Jay Holt	United We Stand America
John Houlihan	Dept of Admin - Purchasing
SHIRLEY MOSES	✓ A & R
DALE BRUNTON	✓ S & R
Peggy Name	Treasurer

January 26, 2000

Dana Fenton  
Intergovernmental Relations Coordinator, Johnson County



Request for Bill Introduction

Madame Chair and Member of the Committee.

Johnson County respectfully requests introduction of a bill to expressly allow county governments to sell, lease, license, and copyright computer software.

Other county governments have inquired of Johnson County if it could sell or lease computer software developed by the County. Our legal counsel has reviewed the laws of the State and like experience in other States, and found that legal authority to do this may not be available in the State of Kansas.

For this reason, we are seeking express legislative approval.

Thank you for your time.

House Governmental Organization  
and Elections  
1-26-00  
Attachment 1

Ron Thornburgh  
Secretary of State



2nd Floor, State Capitol  
300 S.W. 10th Ave.  
Topeka, KS 66612-1594  
(785) 296-4564

## STATE OF KANSAS

### House Committee on Governmental Organization and Elections

Brad Bryant, Deputy Assistant Secretary of State  
Elections and Legislative Matters

January 26, 2000

Madam Chair and Members of the Committee:

The Secretary of State's office requests introduction of two bills.

The first bill deals with election administration. It would accomplish three things: (1) delete the requirement that certain official notices be mailed to voters by first class mail, allowing county election officers the benefit of using the U.S. Postal Service's election logo, (2) delete the requirement for mechanical models of voting machines in polling places and replace it with printed materials and/or instruction by election board workers, and (3) require applicants for advance ballots to provide their birth dates on their ballot applications.

The second bill would grant the Secretary of State authority to designate alternative methods for the distribution of ballots to voters in emergencies.

We request introduction of these proposals as committee bills. Thank you for your consideration.

House Governmental Organization  
and Elections  
1-26-00  
Attachment 2

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Administration (785) 296-4564  
FAX (785) 291-3051  
Corporations (785) 296-4564  
FAX (785) 296-4570

Web Site:  
<http://www.ink.org/public/sos>  
e-mail:  
[kssos@ssmail.wpo.state.ks.us](mailto:kssos@ssmail.wpo.state.ks.us)

Elections (785) 296-4561  
FAX (785) 291-3051  
UCC (785) 296-4564  
FAX (785) 296-3659

**TESTIMONY BEFORE THE  
HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS  
January 26, 2000, 3:30 p.m., Room 521-S**

Presented by Shirley A. Moses, Director of Accounts and Reports

Madam Chairman, Members of the Committee:

I am providing testimony today on behalf of the Department of Administration to provide a status report of action items taken to allow state agencies to accept payments by credit card. This information is provided for the Committee as it considers House Bill 2323, regarding acceptable forms of payment to state agencies.

- ◆ In October 1999, a survey was conducted by the Division of Accounts and Reports to determine state agency interest in accepting credit card payments.
- ◆ Key results of the survey are:
  - ◆ 14 state agencies currently accept credit cards;
  - ◆ 40 state agencies are interested;
  - ◆ \$ 25 million in current transaction volume;
  - ◆ \$240 million in potential fee transaction volume; and
  - ◆ a much greater transaction volume if tax payments are included.
- ◆ Currently, a draft Request for Proposal (RFP) for statewide credit card acceptance is near completion and a Request for Information (RFI) is being written to ensure a complete understanding of rate structures for discount fees, including:
  - ◆ Point of sale (POS) or card swipe transactions;
  - ◆ Telephone sales transactions; and
  - ◆ Transaction fees versus discount rates, etc.
- ◆ Preliminary discussions have occurred with the Information Network of Kansas to explore their interest in website design and other services available to state agencies concerning credit card acceptance.
- ◆ Other topics to consider include:
  - ◆ The ability to transmit copies of licenses via electronic mail upon receipt of payment;
  - ◆ The need for legislation to permit a surcharge or “convenience fee” for acceptance of credit card payments;
  - ◆ the potential loss of revenues resulting from discount fees, unless a surcharge or “convenience fee” is charged to recover the fees.

The ability of state agencies to accept payments by credit card, without a loss of revenues, could be greatly enhanced with minor modifications to House Bill 2323. An amendment proposal is included with the testimony for your consideration.

Thank you for the opportunity to provide testimony before the Committee and for your consideration of suggested amendments to House Bill 2323. I would be happy to address any questions that the Committee may have.

House Governmental Organization  
and Elections  
1-26-00  
Attachment 3



**75-37,100**

**Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND  
EMPLOYEES**

**Article 37.--DEPARTMENT OF ADMINISTRATION**

75-37,100. Contracts for collection of charge credit card tickets accepted by state agencies; procedures and limitations. (a) Upon approval of the secretary of administration, a state agency may negotiate directly with a bank having a fee agency account of the state agency under K.S.A. 75-4214 and amendments thereto and enter into a contract providing for the collection of charge credit card tickets accepted by the state agency in payment of fees, tuition and other charges. Any state agency so authorized may allow the bank a discount from the face value of charge credit card tickets to compensate them for services provided in collecting such accounts, except that any discount shall not exceed 3% of the face value of the charge credit card tickets. All contracts entered into under this subsection shall be exempt from the provisions of K.S.A. 75-3739 to 75-3744, inclusive, and any amendments to those sections.

(b) In lieu of the procedure authorized by subsection (a), the secretary of administration may prepare specifications and solicit sealed proposals from banks or other financial institutions for the collection of charge credit card tickets accepted by all state agencies in payment of fees, tuition and other charges or for the sale of charge credit card tickets accepted by all state agencies to banks or other financial institutions. The specifications and sealed proposals shall state the terms, schedules for settlement and conditions under which payment for the charge credit card tickets are to be made. If one or more proposals are adopted by entering into contracts therefor, each state agency covered (1) may pay service charges, if any, for such services from the fee or other special revenue fund in which the receipts are credited or, if the receipts are credited to the state general fund, from appropriations from the state general fund which are available therefor, or (2) may allow discounts from the face value of the charge credit card tickets to compensate the banks or other financial institution for the cost of handling the transactions. No service charges or discounts under a proposal adopted under this subsection shall exceed 3% of the face value of the charge credit card tickets.

(c) The director of accounts and reports shall prescribe within the central accounting system those procedures necessary to implement the provisions of this section.

History: L. 1984, ch. 303, § 1; April 19.

# STATE OF KANSAS

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



(785) 296-3232  
1-800-748-4408  
FAX: (785) 296-7973

## OFFICE OF THE GOVERNOR

### LEGISLATIVE TESTIMONY

TO: Chairperson Lisa Benlon and Members of the House Committee on Governmental Organization and Elections

FROM: Dan Hermes, Director of Governmental Affairs

DATE: January 26, 2000

SUBJECT: HB 2627

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Madam Chair and members of the committee, thank you for the opportunity to appear today to discuss the Governor's proposal to strengthen state ethics laws in Kansas. The bill in front of you today has two primary proposals.

First, the bill would extend the current branch gift and hospitality ban to all employees in the executive branch. The current ban applies only to classified employees and unclassified employees under the direct control of the Governor. The threshold for determining if the unclassified employee is under the direct control of the Governor is whether he sets or approves their salaries. This would extend the ban to unclassified employees of the Board of Regents, Board of Education, KPERS, Insurance Commissioner, State Treasurer, Attorney General and Secretary of State. Roughly 90 percent of the unclassified employees in the state are not currently covered by the gift ban.

Second, the bill would provide that lobbyists report the individuals that are provided gifts and hospitality. As you know, the previously mentioned ban that is in place does not impact the legislative or judicial branch. This proposal does not preclude gifts and hospitality -- it only requires disclosure for the legislative and judicial branch.

Kansans overwhelmingly support some change in the law that allows special interest groups to provide state officials with free entertainment. In a poll conducted on behalf of the Governor in December, 83 percent favored a change in the law to restrict these activities. This bill represents only a small step -- assuring that citizens have access to information about who is

providing gifts and hospitality to who. As the Governor said in his state of the state address, "The people of Kansas deserve government that avoids even the appearance of improper conduct."

It is important here to note the exemptions to both the ban for executive branch employees and the reporting requirements for the legislative and judicial branch as it relates to hospitality. The exemptions are:

- meals from family of friends
- meals provided at widely attended events
- meals provided for someone appearing in an official capacity
- food such as soft drinks, coffee or snack foods not offered as part of a meal
- meals when it is clear it does not relate to a person's official position

I would be happy to respond to any questions.

Ron Thornburgh  
Secretary of State



2nd Floor, State Capitol  
300 S.W. 10th Ave.  
Topeka, KS 66612-1594  
(785) 296-4564

## STATE OF KANSAS

### House Committee on Governmental Organization and Elections

#### Testimony on HB 2627

Brad Bryant, Deputy Assistant Secretary of State  
Elections and Legislative Matters

January 26, 2000

Madam Chair and Members of the Committee:

Thank you for the opportunity to appear before the committee in support of HB 2627. I am speaking on behalf of Secretary of State Ron Thornburgh in urging you to report this bill favorably for passage.

All employees of the Secretary of State's office are unclassified, and because the Secretary of State is a constitutional officer elected on a statewide basis, employees' salaries are not subject to approval by the Governor. Therefore, we are included in the group covered by this bill.

The Secretary of State adopted the substance of this bill as office policy years ago, so the practical effect of this legislation on our office is nil. However, it is important to pass the bill to codify the policy and perhaps enhance the public perception of the ethics laws governing gifts.

Thank you for your consideration.

House Governmental Organization  
and Elections  
1-26-00  
Attachment 5



## GOVERNMENTAL ETHICS COMMISSION

### Testimony before House Committee on Governmental Organization and Elections in Support of House Bill 2627 by Carol Williams January 26, 2000

House Bill 2627 amends K.S.A. 1999 Supp. 46-237a and K.S.A. 46-269 which are provisions of the Governmental Ethics Laws. Although this bill is recommended by the Governor, Section 1 of this bill is a recommendation made by the Kansas Governmental Ethics Commission in its 1997 Annual Report two years ago.

Under current law, employees of the executive branch fall under two different laws concerning the receipt of gifts, meals, travel, and recreation. The following individuals fall under K.S.A. 46-237:

\*\*Unclassified employees of the executive branch whose salaries are not subject to the direct approval by the Governor.

These employees may receive the following items:

1. gifts under \$40 from anyone with a "special interest";
2. gifts without limit from anyone without a "special interest";
3. meals and recreation without limit so long as given and consumed/used in the presence of the donor  
- if not consumed/used in the presence of the donor, the \$40 limit applies

The following individuals fall under the provisions of K.S.A. 1999 Supp. 46-237a:

1. The Governor and his or her spouse;
2. the Lieutenant Governor;
3. all classified employees;
4. all unclassified employees whose salaries are subject to approval by the Governor;
5. all members of boards, commissions and authorities

\*\*\*\*\*As a general rule, these employees may not receive any gifts, recreation, or meals. There are of course, some exceptions.

Section 1 of House Bill 2627 would bring all the executive branch employees under the provisions of K.S.A. 1999 Supp. 46-237a. Having but one law concerning the receipt of gifts, meals and recreation for all executive branch employees, would reduce confusion concerning this provision.

The Commission does not have a position on Section 2 of this bill since the Commission has not met since the bill's introduction. In 1991, the Commission supported this very measure when it was recommended by the Select Commission on Ethics. The Commission supported this measure again when it was recommended by the Governor's Task Force on Ethics in 1994.

As currently drafted, Section 2 of HB 2627 would require a lobbyist to provide more information on his or her lobbyist employment and expenditures report in a reporting period where the lobbyist expends \$100 or more. A lobbyist would be required to itemize gifts and hospitality and the name of the recipient of such gift or hospitality. Some exceptions apply.

Under current law, a lobbyist lists a lump sum or aggregate total of expenditures in a reporting period in each of the following categories:

1. food and beverages provided as hospitality
2. entertainment, gifts honoraria or payments
3. mass media communications
4. recreation provided as hospitality
5. communications for the purpose of influencing legislative or executive action
6. other reportable expenditures

If enacted, Section 2 of the bill would provide more meaningful disclosure of expenditures in the categories of hospitality and gifts. Attached is a copy of the current lobbyist employment and expenditures report. I have also provided an example of how an itemized list of lobbyist gifts and hospitality might appear as a portion of a lobbyist's report if this bill is enacted.

The Commission urges your support of Section 1 of House Bill 2627. If enacted, Section 2 of this bill would provide more meaningful disclosure of the expenditures in the categories of hospitality and gifts.

**IF** reportable expenditures for this period were \$100 or less, check this box, skip the next section, sign and date below.

See Attached Examples of Reportable Expenditures

Note: To classify as "hospitality", lobbyist **must accompany** person being lobbied to recreational event or site where food and beverage is being served.

Type of Expenditure	Amount This Period
<b>Hospitality</b>	
• Food & Beverage	\$ _____
• Recreation	\$ _____
<b>Entertainment, Gifts, Honoraria, &amp; Payments</b>	\$ _____
<b>Communications</b>	
• to influence legislative action	\$ _____
• to influence executive action	\$ _____
• to influence public opinion using mass media	\$ _____
<b>Other Expenditures</b>	\$ _____
<b>Total Expenditures This Period</b>	<b>\$ _____</b>

Signature & Date

Print Lobbyist Name Here \_\_\_\_\_

Lobbyist Signature \_\_\_\_\_

Date Signed \_\_\_\_\_

*File Report with: Ks Secretary of State, 120 SW 10<sup>th</sup>, 1<sup>st</sup> Floor Memorial Hall, Topeka, Ks 66612*







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

TO: Governmental Organization and Elections

FROM: Linda De Coursey, Director of Government Affairs

RE: HB 2627 – Governmental ethics, establishing requirements regarding gifts and hospitality

DATE: January 26, 2000

Madame Chair and members of the Committee:

Thank you for allowing me this opportunity to discuss with you HB 2627. I would like to make comments regarding the gift ban portion of HB 2627.

Several years ago, the Legislature passed HB 2064, which enacted language regarding lobbying, contracts, revolving door for employment of state employees, and Governor Grave'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 passage of that legislation, Insurance Commissioner Sebelius decided that all Kansas Insurance Department (KID) employees should be under the same rules as other state employees. She requested full compliance with the law for KID employees. I have attached a memo written by the general council of Kansas Insurance Department on that subject. In essence, all employees have been complying with law since July, 1997.

Commissioner Sebelius is delighted that Governor Graves gave ethics reform a high profile in his State of the State speech, and agrees whole heartedly that "the people of Kansas deserve government that avoids even the appearance of improper conduct."

We urge your favorable consideration of HB 2627.

House Governmental Organization  
and Elections  
1-26-00  
Attachment 7

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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.**

Date: January 26, 2000

To: House Committee on Governmental Organization and Elections

From: Kevin J. Robertson, CAE  
President



RE: HB 2627

Madame Chair and members of the Committee, I am Kevin Robertson, Executive Director of the Kansas Dental Association, today I am appearing before you in my capacity as President of the Kansas Society of Association Executives (KSAE). KSAE is a society consisting of 171 professional and trade association staff. These members have a broad array of job responsibilities from Executive Directors and Executive Vice Presidents to heads and staff of various departments such as Director's of Education, Governmental Affairs, etc. A majority of these members are employed by, or contract with, trade or professional associations that are active participants in the Kansas Legislative process. KSAE also has a Legislative Agent membership category of 47 members who are largely corporate and contract lobbyists. As you can see, the members of KSAE are keenly interested in HB 2627.

The KSAE Board of Directors recently met and discussed the ramifications of HB 2627 on the KSAE membership, the position that the KSAE should take, and the Society's message to the Legislators. Though we all agreed that the paperwork regarding the proposed reports would be an added burden, the Board believes that since all lobbyists are currently required to track their expenses for the existing reports, the addition of such an itemized report would not be overly burdensome. Further, technology today makes it a rather simple exercise to record and retrieve such data. I know in my case, I would simply add a column in my Excel program where I currently record my legislative spending after a meal or other lobbyist expense.

I am sure there are KSAE members-probably some in this room-that are opposed to additional reporting of any kind. Some believe that the introduction of HB 2627 fuels the perception that lobbying is being conducted in Kansas "under the table" with lavish gifts and favors. Introduction of bills like these only lend to the public's belief that there is a major influence problem in Kansas that needs correcting. KSAE believes that lobbying in Kansas is currently above board, to our knowledge our members are in compliance with current laws, and those members will continue to provide the required information to the Secretary of State in the future remain in compliance with the law.

I would suggest, that some of the exemptions contained in section 2 of the bill are ambiguous and difficult to understand. For example, what is "widely attended?" If it is legislature's intent to exempt functions that all members, all members of one house, or perhaps one congressional district are invited to attend - let's just say that. I have similar questions with the definition of "snack food." It seems that regardless of who might be invited, any reception could be classified as an merely providing "snack food."

Let me conclude by saying it is up to the legislature to determine the necessary reporting to adequately protect the public. Perhaps such itemized reporting as contained in HB 2627 will, finally, put the minds of the public at ease.

I will be happy to answer any questions you may have.

House Governmental Organization  
and Elections  
1-26-00  
Attachment 8

**Proponent testimony HB2627**  
**Governmental Organizations and Elections Committee**  
**January 26, 2000**

According to the Kansas Ethics Commission, the dollar amount reported by lobbyists was \$535,259.63 through August, 1999. There is always the temptation to divide that figure by 165 legislators to determine an average figure, which is \$3,244 per legislator. This really is not a fair method of assessing this issue since the majority of the legislators did not received such generous attention from the lobbyists. Some legislators insist that there is not a problem. If there is abuse, it is probably limited to just a few and disclosure would be helpful to dispel the public perception that our legislators are being wined and dined on a very regular basis by the 588 lobbyists that were registered through August of 1999.

If I am interpreting the bill accurately, "widely attended" events would not be required to name individual legislators who attended, rather the reporting would only be done with very small gatherings that are considered to be "exclusive access." So most legislators would never be named on these reports.

Lobbying is a right and privilege granted by the constitution. It can also be very helpful to busy legislators who must cast votes on many varied issues. But I sometimes feel that my lobbying voice isn't heard as loudly as that of a lobbyist who has many dollars to wine, dine and entertain. This bill would shed light only on money that is being spent on "exclusive access." This is information for which the public has a right to know. If, in the future, there is a raise in legislators' salaries, a policy of "separate checks" should be instituted. The corporation for which I worked, strictly prohibited employees from accepting food, drink, or gifts from vendors because of the appearance of impropriety which erodes public trust.

Many citizens think this is an important piece of legislation and some are in attendance today. Would the proponents of this bill please stand at this time. We would like very much for you to pass this bill in committee and on to the floor of the House. I thank you for the opportunity to speak to this committee today.

Joyce Luschen, Co-chairman  
United We Stand America Kansas  
8267 W. 116th Terrace  
Overland Park, KS 66210

House Governmental Organization  
and Elections  
1-26-00  
Attachment 9

# LWVK LEAGUE OF WOMEN VOTERS OF KANSAS

919½ South Kansas Avenue Topeka, KS 66612 (785) 234-5152

## Testimony concerning HB 2627 before the House Committee on Governmental Organization and Elections January 26, 2000

Madam Chairman Benlon and members of the committee, I am Edward Rowe, one of a half-dozen volunteer lobbyist members of the League of Women Voters of Kansas.

League's national positions endorse "an open governmental system" and "citizen participation in government decision making." And very much to the point of HB 2627, ". . . the League supports lobbying disclosure reform to provide information on pressures exerted on the national policy-making process and guarantee citizen access to influence the process."

Back in 1993 there was a Governor's Task Force on Ethics, and League had a representative on that task force. Pete McGill, who had seen lobbying both as Speaker of the House and as the head of the largest contract lobbyist firm, served on that blue ribbon committee, as did Lynn Hellebust, who had served as a member of Legislative Research, then as the first director of what we now call the Governmental Ethics Commission, then as a director of Common Cause Kansas. I remember there was hope at that time for sweeping legislation on lobbying. There was talk about reducing the annual gift limit below \$40, of putting serious restrictions on "wining and dining" and on free admission to sporting events, and slowing down the "revolving door," where a person can be an elected public servant one day and a well-paid lobbyist for a special interest the very next day. For a variety of reasons, the task force report never was sent to the 1994 Legislature and the proposed changes never even got a committee hearing.

A political lesson many drew from the task force incident was that incremental changes in lobby rules are more practical than sweeping changes. A conclusion I drew from the peripheral debates at the time was that corruption is not a problem here, but there is a problem of differential access to the decision-makers in the Legislature. Those who can afford to pay a lobbyist, often an ex-legislator with personal friends on the chamber floor, have a distinct advantage over ordinary citizens.

HB 2627 is an incremental change in lobby rules and an attempt to level the playing field for all who seek to influence you. HB 2627 would require disclosure of small, intimate dinners where a few lobbyists meet with a few key legislators, while not requiring any more detailed reporting than at present for the "widely attended" events, such as the large receptions for all members of the Legislature. The intent here, if not the method, seems similar to that of an important part of the Kansas Open Meeting Act, which forbids a majority of a quorum of a local government board to set up a prearranged meeting for the purpose of discussing a pending board decision. In both cases the message is that important public decisions are to be made out in public view.