

MINUTES OF THE HOUSE GOVERNMENTAL ORGANIZATION AND ELECTIONS.

The meeting was called to order by Chairperson Lisa Benlon at 3:35 p.m. on March 8, 2000 in Room 521-S of the Capitol.

All members were present except: Gwen Welshimer (E)

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

Conferees appearing before the committee: Dan Hermes, Director of Governmental Affairs,
Governor's Office
Brad Bryant, Secretary of State's Office
Carol Williams, Governmental Ethics Commission

Others attending: See attached list.

SB 462 -Campaign finance; limitation on contributions during legislative session

Chairperson Benlon opened the hearings on **SB 462**, and called Dan Hermes, proponent, representing the Governor's Office. He explained that the two bills being heard today were the Governor's proposals for a continued effort of his administration to make incremental changes to campaign finance designed to provide more complete disclosure of funds used to finance campaigns and reduce potential conflicts of interest that exist in current law.

Mr. Hermes testified that this **SB 462** passed the Senate with only one amendment which was to make the bill effective at the time it is published in the Kansas register. He said the bill broadens the ban on solicitation of campaign contributions during the legislative session. He explained that currently contributions to statewide elected officials and candidates, as well as legislators or candidates for the legislature are prohibited between January 1 and sine die except for contributions from individuals. He went on to say that the bill extends the ban to recognized party committees of the House and Senate and individual leadership political committees. He further stated that the current law in place is to prevent solicitation of contributions while the legislature is considering changes in law. Mr. Hermes said that this bill is an effort to make sure solicitations do not take place at a time where special interests have matters being voted on by the legislature. (Attachment 1)

General discussion and questions followed regarding: what groups would be left that could solicit money during the legislative session, concern that someone could set up PACs under different names, and inquiry as to whether or not a legislator could still be a member of a PAC that raises money during the session as long as he/she did not solicit funding.

Technical clarification of the terminology "political committee" in subsection (c) was addressed by the Revisor, and she recommended that the subsection be eliminated due to the confusion it causes.

Carol Williams, Governmental Ethics Commission, appeared before the Committee as a neutral party and was present to help clarify existing law. She had handed out for the Committee's review statistical information concerning the number and amount of political contributions that were received the last eleven days before the 1998 primary and general elections by statewide candidates. She said that the solicitations for that money are not being done here in this building, and that's the premise behind this bill to ban solicitations of legislators during the time period when they are considering and voting on legislation. She further stated that this bill would remove that final element where the legislator in turn would not be soliciting from lobbyists and other organizations during session to give money, or provide food and beverage for their fund raising functions that occur during session. (Attachment 2)

CONTINUATION SHEET

Committee members questioned Ms. Williams about the legality of inviting members of lobbying groups to a fund raiser but not asking them for a contribution, and she said that referred to members of a certain group and they would not be precluded. Ms. Williams was asked if the regular payroll deductions to a PAC for KNEA members, which could include a legislator as a member of KNEA, would be permitted under this legislation. Ms. Williams replied in the affirmative, and related it to the medical society which has a PAC, and during the year physicians can make contributions whenever they choose due to their membership within that PAC. She stated that these are PACs that raise their money only from people involved in the process, and is totally outside the realm of this building and the solicitations made by legislators to a PAC.

General discussion continued regarding possible penalties for violations, potential checklist of do's and don'ts for fund raising and campaigning explaining the existing governing laws, and the current bullet sheets that set out the guidelines which are mailed out to candidates and campaign treasurers.

There were no opponents present to testify, and the Chair closed the hearings on **SB 462**.

SB 464 - Elections; establishing requirements for electronic reporting of campaign contributions

Chairperson Benlon opened the hearings on **SB 464**. Dan Hermes representing the Governor's Office spoke in favor of this bill which proposes to close the campaign reporting windows that exist eleven days prior to the primary and general elections for statewide races, and will require the candidates to disclose contributions of over \$250 on a daily basis to the Secretary of State. He said that current law has the campaign finance reports filed 12 days prior to the primary and general elections, and opposing candidates, voters and the media do not know where the money is coming from to finance campaigns during this time frame. (See Attachment 1)

Committee members questioned what the daily report would consist of, and Mr. Hermes explained that it would not be a complete report but a list of the various sources that the candidate is receiving donations from and includes totals from one donor in aggregated amounts who has made one or more contributions.

Brad Bryant, Deputy Assistant Secretary of State for Elections and Legislative Matters, testified in support of **SB 464**. He explained that this legislation would move Kansas a step closer to a paperless system of electronic filing. He said that his comments are mostly addressed to the electronic filing aspect of the bill, and not the policy question regarding whether candidates should be required to report campaign contributions received during the last few days before an election. He stated that the Secretary of State strongly supports electronic filing in principle, and supports faster and more open public access to accurate and up-to-date information. (Attachment 3)

General discussion and questions by Committee members followed regarding acceptance of reporting currently by fax, the effective date being the election of 2002 for implementing the electronic filing, and the possibility of a Class A misdemeanor which would be determined by the Governmental Ethics Commission.

Carol Williams, Governmental Ethics Commission, submitted written testimony and statistical information concerning the number and amount of political contributions that were received the last eleven days by statewide candidates before the primary and general elections in 1998. (Attachment 4)

There were no opponents present to testify, and the Chair closed the hearings on **SB 464**.

Representative O'Connor requested that the Committee receive copies of the latest version of HB 2627 that the Committee passed out of Committee and several amendments were added on the Floor. The Chair agreed that each Committee member would receive a copy of the latest version with all the amendments that were added.

Chairperson Benlon called for discussion and final action of **SB 464**.

Representative Jenkins made the motion to pass this bill out favorable, and the motion was seconded by Representative Powers.

CONTINUATION SHEET

Representative Long made a substitute motion to increase the amount from \$250 to \$500. The motion was seconded by Representative Barnes.

Representative Johnston asked for verification that this is just for statewide candidates and does not affect any of the state legislators. The Chair confirmed that it only involved the statewide candidates.

The Chair called for a vote on the substitute motion by Representative Long, and the substitute motion failed by voice vote.

Representative Horst made a substitute motion to insert on Line 19 of the bill after the \$250.00, the wording "or a total aggregate of \$3,000 per day commencing eleven days before a primary or general election...". Representative O'Connor seconded the substitute motion and then asked for an explanation. Representative Horst explained the reason she wanted that wording is because a candidate could literally have people giving them money who are members of an organization and they get \$200 from a number of people who had the same idea. She felt that we still would not know if the group is supporting that candidate, and they could literally be underneath that amount deliberately.

General discussion continued regarding the following: large amounts of money are donated to the statewide candidates on a daily basis, review of the statistics provided by the Governmental Ethics Commission, inquiring as to staffing in the Commission's office required to handle the daily gathering and reporting of dollars, internet publication of the dollar amounts donated to the candidates, and clarification of when the report on contributions would be due.

The Chair called for a voice vote on the substitute motion before the Committee, and the motion failed.

The Chair asked the Committee to reconsider the original motion made by Representative Jenkins and seconded by Representative Powers, and called for a vote by the Committee. The motion carried.

Chairman Benlon adjourned the meeting at 4:55 p.m. The next meeting of the Governmental Organization and Elections Committee will be Monday, March 13, 2000, 3:30 p.m., Room 521-S.

House Governmental Organization
and Elections
Guest List

3-7-00

Your Name	Representing
Brad Bryant	Sec. of State
Dan MEMMES	GOV.
Carol Williams	Gov. Ethics Comm.

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 Government Organization and Elections

FROM: Dan Hermes, Director of Governmental Affairs

DATE: March 8, 2000

SUBJECT: SB 462 and SB 464

Madam Chair and members of the committee, thank you for the opportunity to appear today to discuss the Governor's proposals to strengthen the state's campaign finance laws. These bills reflect the continued efforts of this administration to make incremental changes to campaign finance designed to provide more complete disclosure of funds used to finance campaigns and reduce potential conflicts of interest that exist in current law.

SB 462

This bill broadens the ban on solicitation of campaign contributions during the legislative session. Currently, contributions to statewide elected officials and candidates, as well as legislators or candidates for the legislature are prohibited between January 1 and sine die except for contributions from individuals. This bill extends the ban to recognized party committees of the house and senate and individual leadership political committees. The current law in place is to prevent solicitation of contributions while the legislature is considering changes in law. This extension is a continuation of the effort to make sure solicitations do not take place at a time where special interests have matters being voted on by the legislature.

I recognize that this committee has already voted on a measure that would eliminate the individual leadership political committees and the Governor supports this initiative. If the committee supports the concept of the session contribution ban on party committees perhaps the measures could be tied together by an amendment to this bill.

SB 464

This bill now has one primary provision. It closes the campaign reporting windows that exist the 11 days prior to the primary and general election for statewide races. This information

**House Governmental
Organization & Elections
3-08-00
Attachment 1**

would be submitted by fax or other electronic means allowed by law. Currently, the campaign finance reports are filed 12 days prior to the primary and general election. Opposing candidates, voters and the media do not know where the money is coming from to finance campaigns during this time frame. The Governor believes that this disclosure is important for the voters of our state.

I would be happy to respond to any questions.



GOVERNMENTAL ETHICS COMMISSION

**Testimony before House Committee
on Governmental Organization and Elections
on Senate Bill 462
by Carol Williams, Executive Director
March 8, 2000**

The Commission does not take a position on this bill. My testimony is being provided to help clarify existing law.

Under current law, the recognized party committees set up in each chamber are permitted to accept contributions during session, and legislators are permitted to solicit contributions for these committees during session. In addition, any political action committee organized and maintained by members of a party in either chamber can also receive contributions and have solicitations made on its behalf during session. SB 462 would only permit the solicitation and receipt of contributions from individuals for these committees during session.

During the 1999 legislative session, approximately \$122,000 was raised by the four recognized chamber party committees from sources which would be prohibited in doing so if SB 462 became law. The breakdown by party committee follows:

Kansas Republican Senatorial Committee	\$12,275
Senate Democrats 2001	45,045
Republican House Campaign Committee	13,140
Kansans for a Democratic House	51,199

Kansas Republican Leadership Pac was the only leadership PAC which received contributions during the 1999 legislative session. This PAC received three contributions totaling \$1000 during the 1999 legislative session.

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 SB 464

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

March 8, 2000

Madam Chairman and Members of the Committee:

Thank you for the opportunity to appear before the committee in support of Senate Bill 464. This legislation would move our state a step closer to a paperless system of electronic filing. Although this bill only requires electronic filing by candidates for statewide office and only requires them to electronically report their campaign receipts during the eleven days preceding a primary or general election, it is a step in the right direction.

My comments are mostly addressed to the electronic filing aspect of the bill, not the policy question regarding whether candidates should be required to report campaign contributions received during the last few days before an election.

The Secretary of State strongly supports electronic filing in principle. We support faster and more open public access to accurate and up-to-date information. We have already taken two steps to that end:

1. Our office participates in the Federal Election Commission's waiver program. This means that candidates for all federal offices except U.S. Senate file their campaign finance reports electronically at the federal level and are no longer required to file duplicates at the state level. The state is required to maintain a public access computer terminal to allow viewing of the reports via the Internet. That terminal is now available to the public in the reception area of our elections division.

2. We have had discussions with the Governmental Ethics Commission on several occasions during the past two years on the subject of creating an electronic filing system in Kansas. Such a system could be required or optional for all candidates for state office, and it could cover all their reports, not just the contributions received immediately before the election. Further, the system could be used by lobbyists to file their expenditure reports and state officers and employees filing Statements of Substantial Interests. Preliminary research has led us to believe an Internet-based system, rather than software-based, is an easier and less expensive

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

**House Governmental
Organization & Elections
3-08-00
Attachment 3**

Ron Thornburgh
Secretary of State



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

approach. We would choose an Internet-based system as long as proper security measures were included.

Any such electronic filing system must be secure. The receiving agency must know that the persons filing are who they say they are and that the message or record has not been intercepted or altered during transmission.

STATE OF KANSAS

We believe the best approach to security is the adoption of a general electronic signatures law. Our office is part of a large group, including a number of cabinet agencies, that supports HB 2879, an electronic signatures bill introduced this year. The bill would authorize electronic filings and electronic signatures, including encrypted digital signatures, in government and business. Another related bill, SB 559, would also provide authority for electronic signatures. While we support the concept of SB 464, one concern we had with the original draft of SB 464 was that it addresses only one specific type of filing. We believe it is important that any laws passed regarding electronic filing be compatible with the general electronic signatures initiative. The Senate amended SB 464 to allow faxed filings as an alternative to electronic filings while preserving the Secretary of State's authority to implement electronic filings when a stable, secure system is in place. As amended, the bill complements the general digital/electronic signatures legislation.

We support the attempt in SB 464 to move our state closer to a system of electronic filing of campaign finance reports. If the Legislature decides to enact the bill's provision to require the reports in the final eleven days before an election, we can accommodate the faxing/electronic filing provisions of the bill.

Thank you.



GOVERNMENTAL ETHICS COMMISSION

**Testimony before House Committee on
Governmental Organization and Elections
on Senate Bill 464
by Carol Williams, Executive Director
March 8, 2000**

The Commission does not take a position on this bill. My testimony is being provided to clarify existing law.

Historically, many contributions have been received by statewide candidates in the final days before an election. Under current law, any contribution which is received during the time period from eleven days before the primary election through the date of the primary election is not disclosed on a receipts and expenditures report until eight days before the general election. Any contribution received during the time period from eleven days before the general election through the date of the general election is not disclosed until the January 10 Receipts and Expenditures Report is filed. Therefore, citizens do not have the opportunity to view these contributions in a timely fashion.

I have attached for your review statistical information concerning the number and amount of political contributions that are were received the last eleven days by statewide candidates before the primary and general elections in 1998.

NUMBER OF CONTRIBUTIONS PLUS TOTAL DOLLAR AMOUNT

FROM JULY 24, 1998 THROUGH MIDNIGHT OF AUGUST 4, 1998

OFFICE	NUMBER OF CONTRIBUTIONS	TOTAL DOLLAR AMOUNT OF CONTRIBUTIONS	CANDIDATE
Governor	336	\$76,010.00	Graves, Bill
Governor	134	\$52,327.15	Miller, David
Governor	1	\$100.00	Poovey, Kirt
Governor	56	\$31,021.67	Sawyer, Tom
Attorney General	16	\$6,450.00	Lykins, Dan
Attorney General	58	\$14,650.00	Stovall, Carla
Insurance Commissioner	8	\$1,160.00	Riley, Bryan
Insurance Commissioner	45	\$20,175.00	Sebelius, Kathleen
Secretary of State	7	\$1,150.00	Thornburgh, Ron
State Treasurer	1	\$150.00	Cline, Rita
State Treasurer	10	\$7,277.83	Shallenburger, Tim
TOTAL	672	\$210,471.65	

FROM OCTOBER 23, 1998 THROUGH MIDNIGHT OF NOVEMBER 3, 1998

OFFICE	NUMBER OF CONTRIBUTIONS	TOTAL DOLLAR AMOUNT OF CONTRIBUTIONS	CANDIDATE
Governor	208	\$70,616.62	Graves, Bill
Governor	6	\$500.00	King, Darrel
Governor	3	\$300.00	Miller, David
Governor	6	\$600.00	Poovey, Kirt
Governor	61	\$60,777.14	Sawyer, Tom
Attorney General	1	\$250.00	Lykins, Dan
Attorney General	64	\$23,195.00	Stovall, Carla
Insurance Commissioner	21	\$10,725.00	Riley, Bryan
Insurance Commissioner	76	\$18,301.75	Sebelius, Kathleen
Secretary of State	6	\$500.00	Rezac, Don
Secretary of State	31	\$7,910.59	Thornburgh, Ron
State Treasurer	7	\$1,600.00	Cline, Rita
State Treasurer	41	\$7,425.00	Shallenburger, Tim
TOTAL	531	\$202,701.10	