

MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT.

The meeting was called to order by Chairman Senator Janice Hardenburger at 1:30 p.m. on February 2, 2000, in Room 529-S of the Capitol.

All members were present except: Senator Lawrence

Committee staff present: Dennis Hodgins, Legislative Research Department
Mike Heim, Legislative Research Department
Ken Wilke, Revisor of Statutes
Graceanna Wood, Committee Secretary

Conferees appearing before the committee: Randy Allen, Exec. Dir. Kansas Association of Counties
Dan Hermes, Director of Governmental Affairs, Governor's office
Brad Bryant, Deputy Assistant Secretary of State
Tom Tunnell, Kansas Society Assn. Executives
Carol Williams, Exec. Dir., KGEC

Others attending: See attached list

Chairman Hardenburger called the meeting to order and requested introduction of bills.

Randy Allen, Executive Director, Kansas Association of Counties, requested introduction of a bill to Amend K.S.A. 19-214, concerning contracts for the construction of county facilities. (Attachment #1)

Senator Becker moved that the bill be introduced, seconded by Senator Gooch. Motion carried.

Senator Huelskamp requested introduction of a bill which would allow tax credit for a campaign finance contribution.

Senator Huelskamp moved that the bill be introduced, seconded by Senator Steineger. Motion carried.

Chairman Hardenburger opened hearings on **SB 464 concerning campaign finance; establishing requirements for electronic filing of reporting of campaign contributions.**

Dan Hermes, Director of Governmental Affairs, Governor's Office, who is the sponsor of the bill, informed the Committee that this bill had two primary provisions, first, it closes the campaign reporting windows that exist the 11 days prior to the primary and general election for statewide races, and second, the bill requires the Secretary of State to develop a system to provide for the electronic filing of campaign finance reports. (Attachment #2)

The Committee discussed the time frame.

Chairman Hardenburger advised the Committee that currently in the federal races, the congressional races and United States Senate races, the last minute contributions have to be reported every 24 hours in a similar time frame. This bill would apply to statewide races, the Governor, the Secretary of State, State Treasurer, Commissioner of Insurance. The candidates would have to report contributions over \$50 every day 11 days prior to the election. Chairman Hardenburger stressed that the large amount of money is what the public needs to know about; that is, if there is a flow of thousands of dollars into the last minute effort. Presently that information is not available until the next reporting date which would be 10 days before the general election, and then the first of the year in January. She further advised that the federal requirement is set at a higher threshold to facilitate reporting.

The Committee discussed the threshold, and whether or not it should be changed.

Brad Bryant, Deputy Assistant Secretary of State, testified in support of **SB 464**, addressing primarily the electronic filing aspect of the bill. (Attachment #3)

CONTINUATION SHEET

Carol Williams, Executive Director, Kansas Governmental Ethics Commission, informed the Committee, that she could not relay the Commission's position whether to support the bill or not. She said historically, many contributions have been received by statewide candidates in the final days before an election, and 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 8 days before the general election. This is not disclosed until the January 10 Receipts and Expenditures Report is filed. (Attachment #4)

Chairman Hardenburger opened hearings on **SB 462 concerning campaign finance; relating to contributions and repealing the existing section.**

Dan Hermes, on behalf of the Governor, presented testimony to the Committee in favor of the bill. He advised the Committee this bill would broaden the ban on solicitation of campaign contributions during the legislative session between January 1 and sine die. The bill extends the ban to recognized party committees of the House and Senate and individual leadership political action committees. (Attachment #5)

Chairman Hardenburger closed hearings on **SB 464** and opened further hearings on **SB 462.**

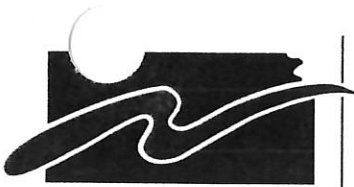
Tom Tunnell, Kansas Society of Association Executives presented testimony in support of **SB 462.** He said that his Association believes that the components of the bill compliment the current law that prohibits individual legislator and election committee contribution requests. (Attachment #6)

Carol Williams, Executive Director of the Governmental Ethics Commission, said the KGEC has no position on this bill, however, she advised the Committee that 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. Ms. Williams said that there were four chamber PAC's and four leadership PAC's. She said House and Senate Committee PAC's raised \$122,000 during the post legislative session. (Attachment #7)

Senator Huelskamp requested breakdown of the \$122,000 from the Commission.

Chairman Hardenburger closed hearings on **SB 462.** She advised the Committee that **SB 462** and **SB 464** would be worked next week.

Meeting was adjourned at 2:30 p.m. Next meeting is scheduled for February 7, 2000.



**KANSAS
ASSOCIATION OF
COUNTIES**

REQUEST FOR BILL INTRODUCTION
Submitted to Senate Elections and Local Government Committee
by Randy Allen, Executive Director
Kansas Association of Counties
February 2, 2000

On behalf of the 105 member counties of the KAC, I respectfully request introduction of a bill to amend K.S.A. 19-214, concerning construction of county facilities. Currently, all contracts for the expenditure of county moneys to construct a courthouse, jail, or other county building or county bridge in excess of \$10,000 must be awarded to the lowest and best bid after a public letting, and the person or corporation to whom the contract is awarded must provide a surety bond in the amount of the contract for the performance of the contract. Counties, on the advice of counsel, have interpreted the term "construct" in the statute to include the remodeling and rehabilitation of county facilities. Over time, and with inflation in remodeling costs, the \$10,000 threshold has become extremely restrictive --- often to the financial disadvantage of the county and its taxpayers.

As part of our legislative platform discussions this past year, our members requested that the \$10,000 threshold be increased to \$100,000, as a way to modernize the statute for small projects while ensuring that more significant and more costly projects continue to be subject to a public bidding process and that performance bonds are required to be filed by the contractor.

If the bill is introduced and a hearing scheduled, we will provide specific examples of why this change is recommended as part of our testimony to the committee. Thank you for your consideration of this request.

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The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randy Allen or Judy Moler by calling (785) 272-2585.

Senate Elections & Local Government
Date: 2-2-00
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, Director of Governmental Affairs

DATE: February 2, 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.

SB 464

This bill has two primary provisions. First, it closes the campaign reporting windows that exist the 11 days prior to the primary and general election for statewide races. 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.

Senate Elections & Local Government
Date: 2-2-00
Attachment # 1-2

Second, the bill requires the secretary of state to develop a system to provide for the electronic filing of campaign finance reports. Beginning with the election in 2004, statewide candidates will be required to submit electronic reports. Candidates for other offices covered under the campaign finance act will have the option of filing electronically after July 1, 2001. This will give the secretary of state over one year to develop the system.

I would be happy to respond to any questions.

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 464

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

February 2, 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

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Senate Elections & Local Government
Date: 2-2-00
Attachment # 3-1

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. 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 is planning to request introduction of an electronic signatures bill this legislative session. The bill would authorize electronic filings and electronic signatures, including encrypted digital signatures, in government and business.

While we support the concept of SB 464, one concern we have with this type of legislation is 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.

Thank you.

Senate Elections & Local Government
Date: 2-2-00
Attachment # 3-2



GOVERNMENTAL ETHICS COMMISSION

**Testimony before Senate Committee
on Elections and Local Government
on Senate Bill 464
by Carol Williams
February 2, 2000**

The Commission has not met since the Governor made his legislative recommendations, therefore, I cannot relay the Commission's position on this bill.

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 were received the last eleven days by statewide candidates before the primary and general elections in 1998.

Senate Elections & Local Government
Date: 2-2-00
Attachment # 4-1

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	

Senate Elections & Local Government

Date: 2-2-00

Attachment # 4-2

GOVERNMENTAL ETHICS COMMISSION

STATE OF KANSAS

BILL GRAVES, Governor
State Capitol, 2nd Floor
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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, Director of Governmental Affairs

DATE: February 2, 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.

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Senate Elections & Local Government
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Second, the bill requires the secretary of state to develop a system to provide for the electronic filing of campaign finance reports. Beginning with the election in 2004, statewide candidates will be required to submit electronic reports. Candidates for other offices covered under the campaign finance act will have the option of filing electronically after July 1, 2001. This will give the secretary of state over one year to develop the system.

I would be happy to respond to any questions.

Senate Elections & Local Government
Date: 2-2-00
Attachment # 5-2



**Testimony to the Senate Committee on Elections & Local Government
February 2, 2000**

**In favor of Senate Bill 462
By Tom Tunnell on behalf of KSAE**

Thank you for the opportunity to testify in support of SB 462. This bill is similar to bills that were proposed in 1993 and 1995, and include recommended changes that KSAE made at that time.

We agree that campaign contributions should not be made during a Legislative Session. Even though a contribution may not be intended to influence public policy decisions, it is implied that such is the case and certainly creates the appearance of impropriety.

The members of the Kansas Society of Association Executives believe strongly that Kansas should continue to be a model state with only the highest standards of ethical conduct. We also believe that while KSAE members and Kansas Legislators adhere to ethical standards we can all be proud of, there may be others who would not.

We think that the components of SB 462 compliment the current law that prohibits individual legislator or election committee contribution requests. While we believe that the social functions of some of the political party committees serve an important role in the legislative process, we feel that these opportunities exist in other arenas - in the form of trade/professional association luncheons, socials and dinners.

I appreciate the opportunity to appear before you today and would be happy to answer any questions the committee may have.

Senate Elections & Local Government
Date: 2-2-00
Attachment # 6

KANSAS SOCIETY OF ASSOCIATION EXEC

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GOVERNMENTAL ETHICS COMMISSION

Testimony before Senate Committee on Elections and Local Government on Senate Bill 462 by Carol Williams February 2, 2000

The Commission has not met since the Governor made his legislative recommendations, therefore, I cannot relay the Commission's position on this bill.

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. Only one of the leadership PACs received contributions during session last year, that PAC received \$1000.