

## MINUTES OF THE HOUSE ETHICS AND ELECTIONS COMMITTEE:

The meeting was called to order by Chairperson Representative Tony Powell at 3:30 p.m. on February 5, 2001 in Room 521-S of the Capitol.

All members were present except: Rep. R.J. Wilson, Excused  
Rep. Steve Huebert, Excused

Committee staff present: Theresa Kiernan, Revisor  
Dennis Hodgins, Research  
Shirley Weideman, Secretary

Conferees appearing before the committee:

**HB 2129 Sub Amendment** - Proponent: Natalie Haag, Governor's Representative

**HB 2164** - Proponent: Carol Williams, Governmental Ethics Commission

**HB 2180** - Proponents: Jim Edwards, Kansas Chamber of Commerce & Industry  
Chip Wheelen, Kansas Society of Association Executives  
Carol Williams, Governmental Ethics Commission

Others attending: See attached list.

Chairman Powell brought **HB 2129 - Film commission; information technology council; mileage, expenses, other allowances** before the committee for consideration.

Ms. Natalie Haag, the Governor's representative, appeared as a proponent for **HB 2129**. She pointed out that it covered mileage and travel expenses for two groups that should not be covered. She said one is the IT group that gives advise to the Administration and the other is a group that gives advise to the film commission. Ms. Haag also said the proposed amendment would strike the language that prohibits these two entities from receiving compensation for their service on these boards and allow them to receive mileage and subsistence in accordance with other commissions and boards in the State of Kansas. She also indicated that this amendment will eliminate from coverage other kinds of advisory boards that the Governor sets up for non-governmental functions. (attachment #1) Ms. Haag responded to questions from the committee. She said that the proposed amendment would strike all of Section One and put this amendment in it's place.

Representative Huff moved that the committee pass **Sub Amendment for HB 2129**. Representative Morrison seconded the motion. Motion passed.

Representative Huff moved that **Sub Amendment for HB 2129** be passed out favorably. The motion was seconded by Representative Morrison. Motion passed.

Hearing was opened on **HB 2164 - State governmental ethics; substantial interest defined**.

Carol Williams, Governmental Ethics Commission Director, testified in favor of **HB 2164**. Ms. Williams indicated that this bill is a recommendation made by the Governmental Ethics Commission in it's 2000 Annual Report and Recommendations. She said that under current law, a state officer or employee is defined to have a substantial interest in any business in which he or she holds a legal or equitable interest exceeding \$5000 or 5%, whichever is less. Ms. Williams also said that HB 2164 would raise the dollar threshold used to determine when a business interest becomes a "substantial interest" to \$15,000 rather than the current \$5000. She indicated that currently, a state officer or employee cannot become substantially involved in the making of a contract with any business in which he or she has a substantial interest. Ms. Williams said that the law has been in effect since the early 1980's and the Commission believes that due to inflation, this amount should be raised to \$15,000. (attachment #2) Ms. Williams responded to questions from the committee. She confirmed that KPERS and 401K's must now be listed as substantial interest. She also told the committee that a memo is being prepared for legislators to let them know that they must now list these retirement funds on the "Statement of Substantial Interest" form.

CONTINUATION SHEET

Minutes of the Ethics and Elections Committee for February 5, 2001.

The hearing on **HB 2164** was closed by Chairman Powell.

The hearing was opened on **HB 2180 - State governmental ethics; hospitality in the form of publications.**

Carol Williams, Governmental Ethics Commission Director, gave testimony in support of **HB 2180**. She said that the Governmental Ethics Commission recommends that the language concerning recreation found in subsection (a)(2) be included in subsection (a)(1) in the balloon version of HB 2180 to conform with the current language found in K.S.A. 46-237. Ms. Williams said that K.D.A. 46-237 is an ethics provision concerning acceptance of gifts by state agencies, state officers and employees. She also said that K.S.A. 46-237(a) states "Except as provided by this section, no state officer or employee, candidate for state office or state officer elect shall accept, or agree to accept any (1) economic opportunity, gift, loan, gratuity, special discount, favor, hospitality or service having an aggregate value of \$40 or more in any calendar year or (2) hospitality in the form of recreation having an aggregate value of \$100 or more in any calendar year from any one person known to have a special interest...". Ms. Williams remarked that the Commission also recommends that official publications published on a regular basis by trade associations, professional associations, foundations and tax-exempt organizations be exempt from the \$40 gift limitation when provided by a lobbyist. She also said that it is the Commission's belief that similar language should be used in this bill to amend K.S.A. 46-271 for conformity and to clarify. (attachment #3) and (attachment #4) Ms. Williams answered questions asked by the committee.

Jim Edwards, Senior Vice President, Kansas Chamber of Commerce and Industry, appeared as a proponent for **HB 2180**. He told of two instances where his association had problems, 1) a noon hour meeting with KDHR, where they provided several top officials with a meal and then realized that this was prohibited and had to send them a bill for the meal and 2) providing a pictorial guide for members and legislators, which they would like to provide to state officials also. He said he doubts that the copies would gain influence for the organization from the state officials. Mr. Edward's suggestions for HB 2180 were to amend Sec. 1. K.S.A. 46-271 to allow "hospitality in the form of food or beverage or publications published on a regular basis by trade associations, professional associations, foundations and tax-exempt organizations, except when a particular course of official action is to be followed as a condition thereon". (attachment #5) Mr. Edwards responded to questions from the committee.

Charles L. Wheelen, Kansas Society of Association Executives, testified in favor of **HB 2180**. He said that he represents an organization and he must be registered as a lobbyist to provide information to legislators. He indicated that reporting as a lobbyist is okay, but there is a lot of responsibility to meet the expectations that are outlined in various sections of the law regarding lobbyists. He also indicated that when the cost of publications rises above \$40 apiece, his group can no longer legally provide that publication to state legislators. Mr. Wheelen said that these publications are not hospitality and will not affect how you vote on issues regarding their organization. He recommended changing the language in this legislation. Mr. Wheelen would like to amend Section 1 to read "if someone gives a gift valued at less than \$40 to each member of the entire House, Senate, the entire Legislature or the entire caucus, it would not be necessary to report names of individual legislators". To amend Section 2, he recommends including the \$100 aggregate limit for recreation and make the distinction that these rules apply to officers and employees of the legislative branch of government only. (attachment #6) and (attachment #7) Mr. Wheelen responded to committee questions.

The hearing was closed on **HB 2180**.

Chairman Powell adjourned the meeting at 4:10 p.m. The next scheduled meeting is February 7<sup>th</sup>, 2001 at 3:30 p.m.

House Ethics and Elections

GUEST LIST Date Feb. 5, 2001

Your Name	Representing
BRYAN A. CASKEY	SECRETARY OF STATE
KEITH R LAWDIS	CHRISTIAN SCIENCE COMMITTEE ON PUBLICATION FOR KANSAS
Jim Edwards	KCCI
Chip Wheelen	SOCIETY OF ASSOC. EXECES
Tom Whitaker	KS MOTOR CARRIERS ASSN
Bill Henry	KS Governmental Consulting
Natalie Haag	Governors Office
Vera Gannaway	GEC
Carol Williams	GEC
Chris Mohr	House Dem. Leader

PROPOSED AMENDMENTS  
For Consideration by Committee on Ethics and Elections

February 5, 2001

On page 1, in line 13, before "Section", by inserting "New"; in line 20, by striking "75-3202" and inserting "75-3203"; also on page 1, following line 30, by inserting the following:

"Sec. 2. K.S.A. 2000 Supp. 74-9201 is hereby amended to read as follows: 74-9201. (a) There is hereby established the Kansas film services commission. The commission shall consist of 19 voting members as follows: (1) One member of the senate appointed by the president of the senate; (2) one member of the senate appointed by the minority leader of the senate; (3) one member of the house of representatives appointed by the speaker of the house of representatives; (4) one member of the house of representatives appointed by the minority leader of the house of representatives; and (5) fifteen members appointed by the governor. One of the members appointed by the governor shall be appointed from each tourism region recognized and designated as a tourism region by the secretary of commerce and housing. All members appointed by the governor shall be appointed for terms of three years, except that of the members first appointed, five shall be appointed for one-year terms, five shall be appointed for two-year terms and five shall be appointed for three-year terms. The governor shall designate the term for which each of the members first appointed shall serve. In addition to the voting members of the commission, six members of the commission shall serve ex officio: The secretary of commerce and housing, the secretary of transportation, the secretary of wildlife and parks, the secretary of health and environment, the executive director of the Kansas arts commission and the secretary of the state historical society. Each ex officio member of the commission may designate an officer or employee of the state

agency of the ex officio member to serve on the commission in place of the ex officio member. The ex officio members of the commission, or their designees, shall be nonvoting members of the commission and shall provide information and advice to the commission. In addition to the voting and ex officio members of the commission, the governor may appoint such number of representatives of the film industry to nonvoting membership on the commission as may be recommended by the secretary of commerce and housing.

(b) Legislative members shall be appointed for terms coinciding with the terms for which such members are elected. ~~All legislative--members--and-members-appointed-by-the-governor-shall serve--without--compensation.~~ All members appointed to fill vacancies in the membership of the commission and all members appointed to succeed members appointed to membership on the commission shall be appointed in like manner as that provided for the original appointment of the member succeeded. All members appointed to fill vacancies of a member of the commission appointed by the governor shall be appointed to fill the unexpired term of such member.

(c) The members of the commission shall elect annually a chairperson and vice-chairperson for the commission from among its members. The commission shall meet at least four times each year at the call of the chairperson of the commission. Ten voting members of the commission shall constitute a quorum.

Sec. 3. K.S.A. 2000 Supp. 75 7202 is hereby amended to read as follows: 75-7202. (a) There is hereby established the information technology executive council which shall be attached to the department of administration for purposes of administrative functions.

(b) The council shall be composed of 17 voting members as follows: The secretary of administration; two cabinet agency heads; one noncabinet agency head; the director of the budget; the executive chief information technology officer; the

legislative chief information technology officer; the judicial chief information technology officer and the judicial administrator of the Kansas supreme court; the executive director of the Kansas board of regents; the commissioner of education; one representative of cities; one representative of counties; the network manager of the information network of Kansas (INK); and three representatives from the private sector who are chief executive officers or chief information technology officers. The chief information technology architect shall be a nonvoting member of the council. The two cabinet agency heads, the noncabinet agency head, the representative of cities, the representative of counties and the representatives from the private sector shall be appointed by the governor for a term not to exceed 18 months. Upon expiration of an appointed member's term, the member shall continue to hold office until the appointment of a successor. Nonappointed members shall serve ex officio.

(c) The secretary of administration shall serve as the chairperson of the council.

(d) The council shall hold meetings and hearings in the city of Topeka or at such other places as the council designates, on call of the chairperson or on request of four or more members.

(e) Members of the council may not appoint an individual to represent them on the council and only members of the council may vote.

(f) Members of the council shall ~~not-be-eligible-for~~ receive compensation, subsistence allowances, mileage ~~or~~ and other expenses as provided in K.S.A. 75-3223 and amendments thereto for attendance at any meeting of the council or any subcommittee meeting authorized by the council, ~~except that agencies may pay subsistence, mileage and other expenses to their representatives on the council.~~

Sec. 4. K.S.A. 2000 Supp. 74-9201 and 75-7202 are hereby repealed."; and by renumbering sections accordingly;

Also on page 1, in the title, in line 9, by striking all after "concerning", in line 10, by striking "certain" and inserting "compensation, subsistence allowances, mileage and other expenses for members of certain boards and"; also in line 10, before the period, by inserting "; amending K.S.A. 2000 Supp. 74-9201 and 75-7202 and repealing the existing sections";



## GOVERNMENTAL ETHICS COMMISSION

### Testimony before House Committee on Ethics and Elections on House Bill 2164

**By Carol Williams, Executive Director**

I stand before you this afternoon as a proponent for House Bill 2164. House Bill 2164 amends K.S.A. 46-229, a provision of the Governmental Ethics Law. This bill is a recommendation made by the Governmental Ethics Commission in its *2000 Annual Report and Recommendations*.

Under current law, a state officer or employee is defined to have a substantial interest in any business in which he or she holds a legal or equitable interest exceeding \$5000 or 5%, whichever is less. House Bill 2164 would raise the dollar threshold used to determine when a business interest becomes a "substantial interest" to \$15,000 rather than the current \$5000.

This dollar change would impact two specific provisions in the Governmental Ethics Laws. Individuals required to file a Statement of Substantial Interests must list any "Ownership Interest" the filer has a legal or equitable interest in which exceeds \$5000 or 5%. Raising this threshold would not require the listing of any ownership interest of \$15,000 or less. Statement of Substantial Interest forms are filed annually by all state



elected officials, approximately 6,000 designated state employees, members of boards, councils and commissions, appointed state officials subject to Senate confirmation, and general counsels for state agencies.

In addition, changing the dollar threshold for holding a legal or equitable interest in a business would also impact the contracting provisions in the Governmental Ethics Law. Currently, a state officer or employee cannot become substantially involved in the making of a contract with any business in which he or she has a substantial interest. Currently, that substantial interest is a legal or equitable interest exceeding \$5,000. This bill would raise that threshold to \$15,000.

The current \$5,000 threshold for determining a substantial interest in a business has been law since the early 1980's. The Commission believes that due to inflation, this amount should be raised to \$15,000.

The Commission urges your support of HB 2164.

Proposed

46-271. Lobbying restrictions; gifts or contributions; hospitality; exceptions. No lobbyist shall offer, pay give or make any (1) economic opportunity, gift, loan, gratuity, special discount, favor, hospitality; or service having an aggregate value of \$40 or more in any calendar year or (2) hospitality in the form of recreation having an aggregate value of \$100 or more in any calendar year to any state officer or employee of the legislative branch or legislative or candidate for state office with a major purpose of influencing such officer or employee in the performance of official duties or prospective official duties. Hospitality in the form of recreation, food and beverages are presumed not to be given to influence a state officer or employee or candidate for state office in the performance of official duties, except when a particular course of official action is to be followed as a condition thereon. The following are presumed not to be given by a lobbyist to influence a state officer or employee of the legislative branch or legislative candidate in the performance of official duties, except when a particular course of official action is to be followed as a condition thereon: (1) hospitality in the form of food and beverage, (2) official publications published on a regular basis by trade associations, professional associations, foundations, and tax exempt organizations, (3) any contribution reported in compliance with the campaign finance act as amended, or (4) a commercially reasonable loan or other commercial transaction in the ordinary course of business.

~~Except when a particular course of official action is to be followed as a condition thereon, this section shall not apply to (1) any contribution reported in compliance with the campaign finance act as amended, or (2) a commercially reasonable loan or other commercial transaction in the ordinary course of business.~~

**GOVERNMENTAL ETHICS COMMISSION****Testimony before House Committee on Ethics and Elections  
on House Bill 2180****By Carol Williams, Executive Director**

I stand before you this afternoon as a proponent for House Bill 2180. House Bill 2180 amends K.S.A. 46-271, a provision of the Governmental Ethics Laws. This bill is a recommendation made by the Governmental Ethics Commission in its *2000 Annual Report and Recommendations*.

I would request you refer to the attached balloon for HB 2180. My testimony will be based on this balloon.

The Commission's recommends official publications published on a regular basis by trade associations, professional associations, foundations and tax exempt organizations be exempt from the \$40 gift limitation when provided by a lobbyist. In Advisory Opinion No. 1992-35, the Commission opined that *The Annual Survey*, a publication of the Kansas Bar Association, fell under the gift provisions set forth in K.S.A. 46-271. As the law is currently drafted, this publication can not be provided to legislators because the cost of the publication exceeds \$40. The Commission does not believe *The Annual Survey* or similar publications are provided to influence a state officer or employee in the performance of their official duties. Current law states that "hospitality in the form of food and beverages are presumed not to be given to influence a state officer or employee or candidate for state office in the performance of official duties". The Commission recommends publications published on a regular basis by trade and professional associations, foundations, and tax exempt organizations be treated the same as hospitality.

Therefore, the \$40 limitation would not apply to these publications.

The additional amendments made to HB 2180 are technical in nature and are being recommended to conform with legislative changes made last year to other provisions in the Governmental Ethics Law.

Staff of the Commission recommends the language concerning recreation found in subsection (a) (2) be included in subsection (a) (1) in the balloon version of HB 2180 to conform with the current language found in K.S.A. 46-237. K.S.A. 46-237 is an ethics provision concerning acceptance of gifts by state agencies, state officers and employees. K.S.A. 46-237(a) states "Except as provided by this section, no state officer or employee, candidate for state office or state officer elect shall accept, or agree to accept any (1) economic opportunity, gift, loan, gratuity, special discount, favor, hospitality or service having an aggregate value of \$40 or more in any calendar year or (2) hospitality in the form of recreation having an aggregate value of \$100 or more in any calendar year from any one person known to have a special interest..." We believe similar language should be used in this bill to amend K.S.A. 46-271 for conformity and to clarity.

If this bill is voted on favorably by the committee, staff would recommend K.S.A. 46-237 be amended to include the same exemption for publications for purposes of conformity with K.S.A. 46-271.

The Commission urges your support of House Bill 2180.

# LEGISLATIVE TESTIMONY



*The Unified Voice of Business*

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HB 2180

February 5, 2001

## KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Ethics and Elections Committee

by

Jim Edwards  
Senior Vice President

Chairman Powell and members of the Committee:

I thank you for the opportunity to appear before you today to express KCCI's support for HB 2180, a measure which would redefine gifts and hospitality for state officers or employees or candidates for state office.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 2,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 48% of KCCI's members having less than 25 employees, and 78% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

KCCI believes that the legislature should be encouraging input from individuals and entities from across the state rather than providing impediments to the process. Good government is open to, and encourages participation.

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2-5-01  
Attachment 5

Let me provide you with two actual examples of the craziness brought about by the changes in this law:

1. KCCI held a meeting with several top officials from the Department of Human Resources. A convenient time for this meeting centered around a noon hour. We had lunch ordered, and if we had done what we would have normally done for any of our other meetings, we would have paid for the full bill. But this was not the case. We had our controller send a bill for these meals to the KDHR. If we had purchased these meals we would have done so not to gain any influence but rather to facilitate a process to expediently cover an issue.
2. We put out a little legislative pictorial guide. We assemble it primarily for our members to help them familiarize themselves with legislators other than their own. As a side, we also provide legislators with these. Thinking about this though, wouldn't it be nice to provide these to other state officials such as the House and Senate Sergeant at Arms? Under existing statute, we can not provide these to them directly. Would giving them copies gain us influence? I seriously doubt it.

There are many more cases that could be provided to you by other entities and individuals.

Would they all seem as ridiculous? Probably so.

We offer the following suggestions for the bill you have in front of you today.

Sec 1. K.S.A. 46-271 is hereby amended to read as follows: 46-271. (a) No lobbyist shall offer, pay, give or make any: (1) economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service having an aggregate value of \$40 or more in any calendar year, or (2) *hospitality in the form of recreation having an aggregate value of \$100 or more in any calendar year* to any state officer or employee of the legislative branch or legislative or candidate for state office with a major purpose of influencing such officer or employee in the performance of official duties or prospective official duties. ~~Hospitality in the form of recreation, food and beverages are presumed not to be given to influence a state officer or employee or candidate for state office in the performance of official duties, except when a particular course of official action is to be followed as a condition thereon.~~

(b) Except when a particular course of official action is to be followed as a condition thereon, this section shall not apply to (1) any contribution reported in compliance with the campaign finance act as amended, or (2) a commercially reasonable loan or other commercial transaction in the ordinary course of business, (3) *hospitality in the form of food or beverage*, or (4) *publications published on a regular basis by trade associations, professional associations, foundations and tax exempt organizations.*

Thank you for the opportunity to appear before you today and I would be happy to stand for questions.

# *Kansas Society of Association Executives*

Testimony on House Bill 2180  
To The  
**House Ethics and Elections Committee**  
By Charles L. Wheelen  
February 5, 2001

Thank you for this opportunity to offer comments regarding HB2180. The Kansas Society of Association Executives is an organization consisting of a diverse membership of professionals who are responsible for management of trade groups, associations of businesses, or associations of individual professionals. Almost without exception, our memberships include part of your constituency.

Because many of our members are appointed by their associations to communicate their public policy positions, we are required by law to be registered as lobbyists. This means we are subject to all the lobbying restrictions and reporting requirements.

Most of our organizations publish newsletters, journals, membership directories, and other documents which provide contemporary facts about the industry or profession we serve. These publications can be extremely valuable sources of information to legislators who want to be knowledgeable about an important sector of their local economy. It is not uncommon for a legislator to contact an association and request information that is already in one of our publications.

Unfortunately, the cost of preparing and printing our publications has gradually increased such that oftentimes, the value exceeds \$39.99. If we were to provide a publication that has a value of \$40 or more to a legislator, we would be in violation of K.S.A. 46-271. We do not believe that the intent of K.S.A. 46-271 has ever been to deprive legislators of valuable information. It was designed to make it unlawful for lobbyists to provide expensive gifts to legislators with the intent of influencing their position on legislative matters.

House Bill 2180 would ostensibly address the dilemma I have described. We are, however, concerned about the language in the bill because it would define our publications as hospitality, and create an exception to the limit only if the publication is provided as hospitality. Our publications are not a form of hospitality; nor are they ever provided with a caveat that a legislator must assure that he or she will follow a particular course of official action. For this reason, we respectfully request that HB2180 be amended or substituted to clearly reflect that our publications may be provided to legislators even if a publication has a value that exceeds the \$40 limit. We have drafted a proposed substitute bill that we believe would accomplish this objective.

In the process of discussing our proposed language with the Executive Director of the Governmental Ethics Commission we learned that this same section of law should be further amended to reflect the \$100 aggregate limit on expenditures for recreation. It was also pointed out that we should probably make a distinction that these rules apply to officers and employees of the legislative branch of government only; again to reflect a policy decision made by previous Legislatures. These amendments have also been incorporated in section two of our proposed substitute bill. In other words our version would make K.S.A. 46-271 consistent with other sections of the ethics and reporting laws, as well as create an exception for trade publications.

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Attachment 6

Section one of our proposed substitute bill would address a separate problem. It would amend K.S.A. 46-269 to clarify that if anyone provides a gift valued at less than \$40 (or gifts with an aggregate annual value less than \$40) to each member of the Legislature, each member of either the House or Senate, or each member of a Caucus, it would not be necessary to report names of individual legislators. The cost of the gifts would still be reportable, but not itemized by name. This is consistent with the established policy regarding hospitality and would not rescind the requirement that lobbyists report the names of legislators who receive a gift that other legislators did not receive.

The KSAE Government Relations Committee has agreed that these amendments in our proposed substitute for HB2180 would address important concerns expressed by many legislators as well as our members. We urge your favorable consideration of these amendments.

We are also cognizant of concerns expressed by legislators as well as some of our own members regarding the itemized reporting of hospitality. There appears to be growing consensus that itemized reporting of hospitality creates a distorted picture of actual events instead of giving the general public a more accurate depiction of your interactions with representatives of various organizations and businesses.

We recognize that legislators want their constituents to have access to information about their activities. While this is a laudable goal, the itemized reporting requirement adopted by the 2000 Legislature fails to achieve that goal. If a constituent wanted to identify the activities of his or her legislator, he or she would have to spend countless hours analyzing every single lobbyist report for several different reporting periods. Furthermore, the actual expenditure reported could have been affected by extraordinary circumstances that are not reflected in the report. Thus the constituent can be misled rather than properly informed.

Those legislators who desire to inform their constituents of their activities could keep track of their legislative social calendar and provide it upon request, publish it in their newsletter, or post it on their website. Thus the interested constituent could readily identify the extent to which a legislator attended luncheons, receptions, or other functions and could readily identify the lobbyists who sponsored those events. This would provide a far more accurate picture of the extent to which a legislator interacts with representatives of organizations and businesses. With this in mind, I have also drafted an alternative substitute version of HB2180 for your consideration.

In closing we wish to reiterate what our members have said many times over the years. We believe that in our State public policy decisions are based principally on the facts pertaining to an issue and communications from constituents. Any notion that legislators can be persuaded to exchange votes for meals or gifts is sadly misguided. There is no evidence or other reason to believe that members of the Legislature or members of our organization are unethical. KSAE members take pride in our standards of ethical conduct and Kansas legislators take pride in their standards of ethical conduct.

For those reasons, we respectfully request that you take favorable action on either of the two substitute bills. Thank you for considering our testimony.



Proposed substitute for HB2180

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

Sec. 1. K.S.A. 46-269 is hereby amended to read as follows:  
46-269. Each report required to be filed by K.S.A. 46-268, and amendments thereto, is a public record and shall be open to public inspection upon request. Such report shall disclose the following:

(a) The full name and address of each person who has paid compensation for lobbying to the lobbyist or has paid for expenses of lobbying by the lobbyist during the period reported.

(b) The aggregate amount or value of all expenditures made, except for expenses of general office overhead, by the lobbyist or by the lobbyist's employer for or in direct relation to lobbying during the reporting period, if such expenditures exceed \$100. Individual expenditures of less than \$2 shall not be required to be reported under this subsection. Every lobbyist shall keep detailed accounts of all expenditures required to be reported pursuant to K.S.A. 46-268, and amendments thereto. Such expenditures shall be reported according to the following categories of expenditures:

- (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; and
- (6) all other reportable expenditures made in the performance of services as a lobbyist.

With regard to expenditures for entertainment or hospitality which is primarily recreation, food and beverages, only amounts expended on a state officer or employee or on such officer or employee's spouse shall be considered to be for or in direct relation to lobbying. Notwithstanding the requirements of this subsection and subsection (d), no lobbyist shall be responsible to report any expenditure by the lobbyist's employer of which such person has no knowledge.

(c) (1) In addition to the information reported pursuant to subsection (b), each lobbyist expending an aggregate amount of \$100 or more for lobbying in any reporting period shall report any gift, entertainment or hospitality provided to members of the legislature, members of the judicial branch of government and any employees of the legislature or judicial branch of government. Such report shall disclose the full name of the legislator, member of the judicial branch and employee who received such gift, entertainment or hospitality and the amount expended on such gift, entertainment or hospitality.

(2) No report shall be required to be filed pursuant to this subsection (c) for the following:

(A) Meals, the provision of which is motivated by a personal or family relationship;

(B) meals provided at public events in which the person is attending in an official capacity;

(C) meals provided to a person subject to this section when it is obvious such meals are not being provided because of the person's official position;

(D) food such as soft drinks, coffee or snack foods not offered as part of a meal; and

(E) entertainment or hospitality in the form of recreation, food and beverages provided at an event to which the following have been invited:

(i) All members of the legislature or all members of either house of the legislature; or

(ii) all members of a political party caucus of the legislature or all members of a political party caucus of either house of the legislature.

*(F) gifts having an annual aggregate value of less than \$40 provided to:*

*(i) Each member of the legislature or each member of either house of the legislature; or*

*(ii) each member of a political party caucus of the legislature or each member of a political party caucus of either house of the legislature.*

(d) Except as provided by subsection (c), whenever an individual lobbyist contributes to a single special event, such lobbyist shall report only the aggregate amount or value of the expenditure contributed by such lobbyist.

(e) Whenever more than one lobbyist is employed by a single employer, the reports required by this section relating to such employer shall be made by only one such lobbyist and that lobbyist shall be the lobbyist who is most directly connected with the particular expenditure or gift, honoraria or payment. No expenditure or gift, honoraria or payment required to be reported by this section shall be reported by more than one lobbyist.

(f) All accounts, records and documents of the lobbyist which relate to every expenditure reported or which should have been reported shall be maintained and preserved by the lobbyist for a period of five years from the date of the filing of such report or statement and may be inspected under conditions determined by the commission.

Sec. 2. K.S.A. 46-271 is hereby amended to read as follows: 46-271. (a) No lobbyist shall offer, pay, give or make any: (1) economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service having an aggregate value of \$40 or more in any calendar year, or (2) *hospitality in the form of recreation having an aggregate value of \$100 or more in any calendar year* to any state officer or employee of the legislative branch or legislative or candidate for state office with a major purpose of influencing such officer or employee in the performance of official duties or prospective official duties. ~~Hospitality in the form of recreation, food and beverages are presumed not to be given to influence a state officer or employee or candidate for state office in the performance of official duties, except when a particular course of official action is to be followed as a condition thereon.~~

(b) Except when a particular course of official action is to be followed as a condition thereon, this section shall not apply to (1) any contribution reported in compliance with the campaign finance act as amended, or (2) a commercially reasonable loan or other commercial transaction in the ordinary course of business, (3) *hospitality in the form of food or beverage, or (4) publications published on a regular basis by trade associations, professional associations, foundations and tax exempt organizations.*

Sec. 3. K.S.A. 46-269 and 46-271 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

Drafted by C. Wheelen, KSAE

Alternate Proposed substitute for HB2180

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

Sec. 1. K.S.A. 46-269 is hereby amended to read as follows: 46-269. Each report required to be filed by K.S.A. 46-268, and amendments thereto, is a public record and shall be open to public inspection upon request. Such report shall disclose the following:

(a) The full name and address of each person who has paid compensation for lobbying to the lobbyist or has paid for expenses of lobbying by the lobbyist during the period reported.

(b) The aggregate amount or value of all expenditures made, except for expenses of general office overhead, by the lobbyist or by the lobbyist's employer for or in direct relation to lobbying during the reporting period, if such expenditures exceed \$100. Individual expenditures of less than \$2 shall not be required to be reported under this subsection. Every lobbyist shall keep detailed accounts of all expenditures required to be reported pursuant to K.S.A. 46-268, and amendments thereto. Such expenditures shall be reported according to the following categories of expenditures:

(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; and

(6) all other reportable expenditures made in the performance of services as a lobbyist.

With regard to expenditures for entertainment or hospitality which is primarily recreation, food and beverages, only amounts expended on a state officer or employee or on such officer or employee's spouse shall be considered to be for or in direct relation to lobbying. Notwithstanding the requirements of this subsection and subsection (d), no lobbyist shall be responsible to report any expenditure by the lobbyist's employer of which such person has no knowledge.

~~—(c) (1) In addition to the information reported pursuant to subsection (b), each lobbyist expending an aggregate amount of \$100 or more for lobbying in any reporting period shall report any gift, entertainment or hospitality provided to members of the legislature, members of the judicial branch of government and any employees of the legislature or judicial branch of government. Such report shall disclose the full name of the legislator, member of the judicial branch and employee who received such gift, entertainment or hospitality and the amount expended on such gift, entertainment or hospitality.~~

~~—(2) No report shall be required to be filed pursuant to this subsection (c) for the following:~~

~~—(A) Meals, the provision of which is motivated by a personal or family relationship;~~

~~—(B) meals provided at public events in which the person is attending in an official capacity;~~

~~—(C) meals provided to a person subject to this section when it is obvious such meals are not being provided because of the person's official position;~~

~~—(D) food such as soft drinks, coffee or snack foods not offered as part of a meal; and~~

~~—(E) entertainment or hospitality in the form of recreation, food and beverages provided at an event to which the following have been invited:~~

~~—(i) All members of the legislature or all members of either house of the legislature; or~~

~~—(ii) all members of a political party caucus of the legislature or all members of a political party caucus of either house of the legislature.~~

~~(c) (d) Except as provided by subsection (c), whenever *Whenever* an individual lobbyist contributes to a single special event, such lobbyist shall report only the aggregate amount or value of the expenditure contributed by such lobbyist.~~

~~(d) (e) Whenever more than one lobbyist is employed by a single employer, the reports required by this section relating to such employer shall be made by only one such lobbyist and that lobbyist shall be the lobbyist who is most directly connected with the particular expenditure or gift, honoraria or payment. No expenditure or gift, honoraria or payment required to be reported by this section shall be reported by more than one lobbyist.~~

~~(e) (f) All accounts, records and documents of the lobbyist which relate to every expenditure reported or which should have been reported shall be maintained and preserved by the lobbyist for a period of five years from the date of the filing of such report or statement and may be inspected under conditions determined by the commission.~~

Sec. 2. K.S.A. 46-271 is hereby amended to read as follows: 46-271. (a) No lobbyist shall offer, pay, give or make any: (1) economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service having an aggregate value of \$40 or more in any calendar year, or (2) *hospitality in the form of recreation having an aggregate value of \$100 or more in any calendar year* to any state officer or employee of the legislative branch or legislative or candidate for state office with a major purpose of influencing such officer or employee in the performance of official duties or prospective official duties. ~~Hospitality in the form of recreation, food and beverages are presumed not to be given to influence a state officer or employee or candidate for state office in the performance of official duties, except when a particular course of official action is to be followed as a condition thereon.~~

(b) Except when a particular course of official action is to be followed as a condition thereon, this section shall not apply to (1) any contribution reported in compliance with the campaign finance act as amended, or (2) a commercially reasonable loan or other commercial transaction in the ordinary course of business, (3) *hospitality in the form of food or beverage, or (4) publications published on a regular basis by trade associations, professional associations, foundations and tax exempt organizations.*

Sec. 3. K.S.A. 46-269 and 46-271 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

Drafted by C. Wheelen, KSAE