

MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT COMMITTEE

The meeting was called to order by Chairperson Barbara Allen at 1:30 p.m. on February 10, 2004 in Room 423-S of the Capitol.

All members were present except:
Senator Dave Jackson- excused

Committee staff present:
Mike Heim, Legislative Research
Martha Dorsey, Legislative Research
Ken Wilke, Revisor of Statutes
Nancy Kirkwood, Committee Secretary

Conferees appearing before the committee:

Others attending:
See Attached List.

Chairperson Allen called the meeting to order at 1:30, with continued discussion on **SB 376** - campaign finance; use of unexpended campaign funds. The Ethics Commission would be here today to address questions of the committee; going beyond codifying the current practice.

Vera Gannaway, Ethics Commission, recognized by the Chair described the changes that would be made if this was a bill (Attachment 1).

Chairperson Allen informed the committee it would be hearing the (HAVA), Help America Vote Act **SB 479**, on Thursday. It would possibly take action on **SB 376** depending if the committees' questions been answered.

The meeting adjourned at 2:20 p.m..

K.S.A. 25-4143

(e) . . .

(2) "Contribution" does not include:

(A) The value of volunteer services provided without compensation;

(B) costs to a volunteer related to the rendering of volunteer services not exceeding a fair market value of \$50 during an allocable election period as provided in K.S.A. 25-4149, and amendments thereto;

(C) payment by a candidate or candidate's spouse for personal meals, lodging and travel by personal automobile of the candidate or candidate's spouse while campaigning;

(D) the value of goods donated to events such as testimonial events, bake sales, garage sales and auctions by any person not exceeding a fair market value of \$50 per event.

(E) the transfer of campaign funds to a bona fide successor committee or candidacy, in accordance with K.S.A. 25-4157a, and amendments thereto.

. . .

(m) "Public office" means a state or local office.

(n) "Local office" means:

(1) A member of the governing body of a city of the first class;

(2) an elected office of:

(A) A unified school district having 35,000 or more pupils regularly enrolled in the preceding school year city of the first class;

(B) a county; or

(C) the board of public utilities.

Senate Elec & Loc Gov
02-10-04
Attachment 1

K.S.A. 25-4157a

(a) No moneys received by any candidate or candidate committee of any candidate as a contribution under this act shall be used or be made available for the personal use of the candidate and no such moneys shall be used by such candidate or the candidate committee of such candidate except for:

- (1) Legitimate campaign purposes;
- (2) expenses of holding political office ;
- (3) contributions to the party committees of the political party of which such candidate is a member;
- (4) any membership dues or donations paid to a community service, charitable, or civic organization in the name of the candidate or candidate committee of any candidate;
- (5) expenses incurred in the purchase of tickets to meals and special events sponsored by any organization the major purpose of which is to promote or facilitate the social, business, commercial or economic well being of the local community; or
- (6) expenses incurred in the purchase and mailing of greeting cards to voters and constituents.

For the purpose of this subsection, expenditures for "personal use" shall include expenditures to defray normal living expenses for the candidate or the candidate's family and expenditures for the personal benefit of the candidate having no direct connection with or effect upon the campaign of the candidate or the holding of public office.

(b) No moneys received by any candidate or candidate committee of any candidate as a contribution shall be used to pay interest or any other finance charges upon moneys loaned to the campaign by such candidate or the spouse of such candidate.

(c) No candidate or candidate committee shall accept from any other candidate or candidate committee for any candidate for local, state or national office, any moneys received by such candidate or candidate committee as a campaign contribution. The provisions of this subsection shall not be construed to prohibit:

- (1) a candidate or candidate committee from accepting moneys from another candidate or candidate committee if such moneys constitute a reimbursement for one candidate's proportional share of the cost of any campaign activity participated in by both candidates involved. Such reimbursement shall not exceed an amount equal to the proportional share

of the cost directly benefiting and attributable to the personal campaign of the candidate making such reimbursement; or

(2) a candidate or candidate committee from transferring campaign funds to a bona fide successor committee or candidacy established by the candidate.

(d) At the time of the termination of any campaign and prior to the filing of a termination report in accordance with K.S.A. 25-4157, and amendments thereto, all residual funds otherwise not obligated for the payment of expenses incurred in such campaign or the holding of office shall be:

(1) contributed to a charitable organization, as defined by the laws of the state;

(2) contributed to a party committee;

(3) ~~or~~ returned as a refund in whole or in part to any contributor or contributors from whom received;

(4) ~~or~~ paid into the general fund of the state;

(5) transferred to a bona fide successor committee or candidacy established by the candidate; or

(6) transferred to a bona fide successor committee or candidacy established by the candidate pursuant to subsection (f)(2) for the purpose of retiring the remaining debt in the original candidacy.

(e) Upon transferring money to a bona fide successor committee or candidacy as defined by subsection (f)(2), the candidate may only accept contributions to the original candidacy sufficient to retire the debt. Such contributions shall be subject to the contribution limits for the original office sought as set forth in K.S.A. 25-4153. Once the candidate has received sufficient contributions to retire the debt, the candidate must terminate the candidacy pursuant to the provisions set forth in subsection (f).

(f) For the purposes of this section, "bona fide successor committee or candidacy" means:

(1) the candidate's campaign committee or candidacy for a public office initiated at the termination of the original candidacy; or

(2) the candidate's campaign committee or candidacy initiated at the time of the transfer of all monies to a new campaign committee or candidacy for a public office when there is debt in the original campaign at the time of the transfer and the candidate does not terminate the original campaign committee or candidacy.

1 (B) Any advance, conveyance, deposit, distribution, gift, loan or pay-
2 ment of money or any other thing of value made to expressly advocate
3 the nomination, election or defeat of a clearly identified candidate for a
4 state or local office;

5 (C) a transfer of funds between any two or more candidate commit-
6 tees, party committees or political committees;

7 (D) the payment, by any person other than a candidate, candidate
8 committee, party committee or political committee, of compensation to
9 an individual for the personal services rendered without charge to or for
10 a candidate's campaign or to or for any such committee;

11 (E) the purchase of tickets or admissions to, or advertisements in
12 journals or programs for, testimonial events;

13 (F) a mailing of materials designed to expressly advocate the nomi-
14 nation, election or defeat of a clearly identified candidate, which is made
15 and paid for by a party committee with the consent of such candidate.

16 (2) "Contribution" does not include:

17 (A) The value of volunteer services provided without compensation;

18 (B) costs to a volunteer related to the rendering of volunteer services
19 not exceeding a fair market value of \$50 during an allocable election
20 period as provided in K.S.A. 25-4149, and amendments thereto;

21 (C) payment by a candidate or candidate's spouse for personal meals,
22 lodging and travel by personal automobile of the candidate or candidate's
23 spouse while campaigning;

24 (D) the value of goods donated to events such as testimonial events,
25 bake sales, garage sales and auctions by any person not exceeding a fair
26 market value of \$50 per event; or

27 (E) *[the transfer, in accordance with K.S.A. 25-4157a, and amend-
28 ments thereto, of residual funds not otherwise obligated for the payment
29 of expenses incurred in a campaign or the holding of office]*

30 (f) "Election" means:

31 (1) A primary or general election for state or local office; and

32 (2) a convention or caucus of a political party held to nominate a
33 candidate for state or local office.

34 (g) (1) "Expenditure" means:

35 (A) Any purchase, payment, distribution, loan, advance, deposit or
36 gift of money or any other thing of value made by a candidate, candidate
37 committee, party committee or political committee for the express pur-
38 pose of nominating, electing or defeating a clearly identified candidate
39 for a state or local office.

40 (B) Any purchase, payment, distribution, loan, advance, deposit or
41 gift of money or any other thing of value made to expressly advocate the
42 nomination, election or defeat of a clearly identified candidate for a state
43 or local office;

the transfer of campaign funds to a bona fide
successor committee in accordance with K.S.A. 25-
4157a and amendments thereto

8

1 (5) not more than one political committee established by the state
2 committee of any such political party and designated as a recognized
3 political committee for the house of representatives; or

4 (6) not more than one political committee per congressional district
5 established by the state committee of a political party regulated under
6 article 38 of chapter 25 of the Kansas Statutes Annotated, and amend-
7 ments thereto, and designated as a congressional district party committee.

8 (j) "Person" means any individual, committee, corporation, partner-
9 ship, trust, organization or association.

10 (k) (1) "Political committee" means any combination of two or more
11 individuals or any person other than an individual, a major purpose of
12 which is to expressly advocate the nomination, election or defeat of a
13 clearly identified candidate for state or local office or make contributions
14 to or expenditures for the nomination, election or defeat of a clearly
15 identified candidate for state or local office.

16 (2) "Political committee" shall not include a candidate committee or
17 a party committee.

18 (l) "Receipt" means a contribution or any other money or thing of
19 value, but not including volunteer services provided without compensa-
20 tion, received by a treasurer in the treasurer's official capacity.

21 (m) "Public office" means a state or local office.

22 (n) "Local office" means ~~a member of the governing body of a city of~~
23 ~~the first class, any elected office of a unified school district having 35,000~~
24 ~~or more pupils regularly enrolled in the preceding school year, a county~~
25 ~~or of the board of public utilities.~~

26 ~~(m)~~ (o) "State office" means any state office as defined in K.S.A. 25-
27 2505, and amendments thereto.

28 ~~(m)~~ (p) "Testimonial event" means an event held for the benefit of
29 an individual who is a candidate to raise contributions for such candidate's
30 campaign. Testimonial events include but are not limited to dinners,
31 luncheons, rallies, barbecues and picnics.

32 ~~(e)~~ (q) "Treasurer" means a treasurer of a candidate or of a candidate
33 committee, a party committee or a political committee appointed under
34 the campaign finance act or a treasurer of a combination of individuals
35 or a person other than an individual which is subject to paragraph (2) of
36 subsection (a) of K.S.A. 25-4172, and amendments thereto.

37 ~~(p)~~ "Local office" means ~~a member of the governing body of a city~~
38 ~~of the first class, any elected office of a unified school district having~~
39 ~~35,000 or more pupils regularly enrolled in the preceding school year, a~~
40 ~~county or of the board of public utilities.~~

41 Sec. 3. K.S.A. 25-4157a is hereby amended to read as follows: 25-
42 4157a. (a) No moneys received by any candidate or candidate commit-
43 tee of any candidate as a contribution under this act shall be used or be

- (1) A member of the governing body of a city of the first class;
- (2) an elected office of:
 - (A) A unified school district having 35,000 or more pupils regularly enrolled in the preceding school year city of the first class;
 - (B) a county; or
 - (C) the board of public utilities.

1 made available for the personal use of the candidate and no such moneys
2 shall be used by such candidate or the candidate committee of such can-
3 didate except for:

- 4 (1) Legitimate campaign purposes;
- 5 (2) expenses of holding political office ;
- 6 (3) contributions to the party committees of the political party of
7 which such candidate is a member;
- 8 (4) any membership dues or donations paid to a community service
9 or civic organization in the name of the candidate or candidate committee
10 of any candidate;
- 11 (5) expenses incurred in the purchase of tickets to meals and special
12 events sponsored by any organization the major purpose of which is to
13 promote or facilitate the social, business, commercial or economic well
14 being of the local community; or
- 15 (6) expenses incurred in the purchase and mailing of greeting cards
16 to voters and constituents.

} , charitable

17 For the purpose of this subsection, expenditures for "personal use"
18 shall include expenditures to defray normal living expenses for the candi-
19 didate or the candidate's family and expenditures for the personal benefit
20 of the candidate having no direct connection with or effect upon the
21 campaign of the candidate or the holding of public office.

22 (b) No moneys received by any candidate or candidate committee of
23 any candidate as a contribution shall be used to pay interest or any other
24 finance charges upon moneys loaned to the campaign by such candidate
25 or the spouse of such candidate.

26 (c) No candidate or candidate committee shall accept from any other
27 candidate or candidate committee for any candidate for local, state or
28 national office, any moneys received by such candidate or candidate com-
29 mittee as a campaign contribution. The provisions of this subsection shall
30 not be construed to prohibit:

31 (1) A candidate or candidate committee from accepting moneys from
32 another candidate or candidate committee if such moneys constitute a
33 reimbursement for one candidate's proportional share of the cost of any
34 campaign activity participated in by both candidates involved. Such re-
35 imbursement shall not exceed an amount equal to the proportional share
36 of the cost directly benefiting and attributable to the personal campaign
37 of the candidate making such reimbursement; or

38 (2) *[the transfer of campaign funds, pursuant to paragraph (1) of sub-*
39 *section (d), to a different campaign fund established by the same candidate*
40 *for the purpose of being elected to a different public office.*

41 ~~(d) At the time of the termination of any campaign and prior to the~~
42 ~~filing of a termination report in accordance with K.S.A. 25-4157, and~~
43 ~~amendments thereto, all residual funds otherwise not obligated for the~~

1 payment of expenses incurred in such campaign or the holding of office
 2 shall be contributed to a charitable organization, as defined by the laws
 3 of the state, contributed to a party committee or returned as a refund in
 4 whole or in part to any contributor or contributors from whom received
 5 or paid into the general fund of the state. (1) At the time of the termi-
 6 nation of any campaign and prior to the filing of a termination report in
 7 accordance with K.S.A. 25-4157, and amendments thereto, all residual
 8 funds not otherwise obligated for the payment of expenses incurred in
 9 such campaign or the holding of office, or any portion of such funds, may
 10 be:

- (1) 11 (A) Contributed to a charitable organization, as defined by the laws
 12 of the state;
- (2) 13 (B) contributed to a party committee;
- (3) 14 (C) returned as a refund in whole or in part to any contributor or
 15 contributors from whom such funds were received; or
- (4) 16 (D) paid into the general fund of the state; or
- (5) 17 (E) transferred to a bona fide successor committee or candidacy es-
 18 tablished by the candidate.

19 Whenever campaign funds are transferred to a bona fide successor com-
 20 mittee or candidacy pursuant to this section, all monies must be trans-
 21 ferred from the original campaign fund within 10 days after the date such
 22 transfer is made.

23 (e) For the purposes of this section, "bona fide successor committee
 24 or candidacy" means the candidate's campaign committee or candidacy
 25 for an elected public office different from the elected public office held by
 26 the candidate at the time such transfer was made.

27 New Sec. 4. (a) For the period commencing on January 1, 1976, and
 28 ending on the day preceding the effective date of this act, any candidate
 29 who transferred campaign funds to a bona fide successor candidacy, as
 30 such term is defined in section 3, shall be deemed to have made such
 31 transfer in compliance with the provisions of the campaign finance act in
 32 existence at the time of such transfer regardless of when the original
 33 campaign fund is closed after the date such transfer is made and such
 34 transfer is hereby validated.

35 (b) This section shall be part of and supplemental to the campaign
 36 finance act.

37 Sec. 5. K.S.A. 25-4142 and 25-4157a and K.S.A. 2003 Supp. 25-4143
 38 are hereby repealed.

39 Sec. 6. This act shall take effect and be in force from and after its
 40 publication in the Kansas register.

A candidate or candidate committee from
 transferring campaign funds to a bona fide
 successor committee or candidacy established by
 the candidate.

Whenever a transfer to a bona fide successor
 committee or candidacy is made, all monies shall be
 transferred to the bona fide successor committee or
 candidacy.

P(d)

or sought

and amendments thereto.