

## MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman John Edmonds at 1:30 P.M. on February 7, 2006 in Room 313-S of the Capitol.

All members were present except:

Representative Barbara Craft- excused  
Representative Kenny Wilk- excused

Committee staff present:

Athena Andaya, Kansas Legislative Research Department  
Mary Torrence, Revisor of Statutes Office  
Carol Doel, Committee Secretary

Conferees:

Representative Peggy Mast  
Representative Ed O'Malley  
Tanner Burenheide  
Charles Yunker, State Adjutant for American Legion  
Ken Stodgell, VFW State Legislative Chairman  
Frank Lowery, Vietnam Veteran

Representative Peggy Mast came before the committee to recognize the members of the Civil Air Patrol who came to sit in on the committee hearing of the Veteran's bill. These are students who are practicing to be good military officers someday.

Chairman Edmonds opened the floor for introduction of bills. and requested introduction of a bill dealing with the registration of antique military vehicles.

With no objections, that request is accepted for introduction.

Representative O'Malley addressed the Committee with a briefing on **HB 2559** - Campaign finance amendments relating to independent expenditures, electioneering communications, certain reporting requirements, and corrupt political advertising. The Representative told the committee that he does not have all the information that is needed to convey the constitutionality of the provisions in **HB 2559**. The Representative introduced Paul Ryan of Washington D.C., who has specialized in campaign finance, ethics, and election law for seven years and is former Political Reform Project Director at the Center for Governmental Studies in Los Angeles. Mr. Ryan regularly represents the Campaign Legal Center before the Federal Election Commission. He is also one of the nation's leading experts on public campaign financing and local government campaign finance law has had published a number of topics.

Mr. Ryan spoke to the Committee regarding many aspects of the Federal Campaign Funding Law. This is all available in his comprehensive testimony which was distributed for committee review.

Mr. Ryan's testimony included:

- A booklet entitled *Enhancing Values: Practical Campaign Reforms for States* (Available from The Reform Institute - 211 North Union Street, Suite 250 - Alexandria, VA 22314 PH: 703-535-6897)
- Credentials of Mr. Ryan ([Attachment 1](#))
- Information regarding The Reform Institute ([Attachment 2](#))
- Bipartisan Campaign Reform Act of 2002 - Pillars for States ([Attachment 3](#))
- Summary of Supreme Court Decision on McCain-Feingold ([Attachment 4](#))
- Summary of North Carolina Electioneering Legislation, H737 ([Attachment 5](#))
- Copy of the North Carolina General Assembly Session 2003 ([Attachment 6](#))
- Copy of an article from The Washington Post by David Broder entitled *A Win for Campaign Reform* ([Attachment 7](#))
- Copy of an article from The Wall Street Journal entitled *McCain-Feingold Did Its Job* by Albert Hunt ([Attachment 8](#))
- Copy of an article from USA Today entitled *Paying For Campaigns: McCain Eyes Next Target* by

CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on February 7, 2006 in Room 313-S of the Capitol.

John McCain (Attachment 9)

- Copy of article from Business Week entitled *Campaign Finance: How to Fix A Rigged System*, author unknown. (Attachment 10)
- Copy of an article entitled *Curbing the 527's* by J. Barlow Herget. N.C. Center for Voter Education (Attachment 11)

Representative O'Malley returned before the committee to urge the approval of **HB 2559**

The Chairman opened the floor for public hearing on **HB 2728** - concerning employers required to give paid leave to veterans on Veterans' Day, and recognized Representative Peggy Mast as a proponent of the bill. Representative Mast stated that a young constituent, Tanner Burenheide, approached her and expressed disappointment that his father, who was a veteran, was unable to celebrate a holiday that was given in honor of him and his service to our nation because his job security. It is for this reason that they are asking for the support of **HB 2728**. (Attachment 12)

Representative Mast introduced Tanner Burenheide, a 7<sup>th</sup> Grade student from Emporia, addressed the committee supporting **HB 2728**. Master Burenheide presented testimony that related his father served in both Desert Storm & Operation Iraqi Freedom. He would like to know that when Veterans Day comes around next year, his family can count on standing beside his father at the many activities in which they wish to participate in order to honor him and all veterans. He would like to be assured that his dad won't have to choose between job security and the loyalty and the patriotism he feels towards his country and fellow veterans. (Attachment 13)

Charles Yunker, Adjutant, American Legion Department of Kansas, supports the passage of **HB 2728**. In his testimony, Mr. Yunker stated that in 1953 President Eisenhower signed a law to change Armistice Day to Veteran's Day. At that time most veterans were given the day off with a day's wages. Time began to change things. He further opined that in the 1960's the anti-war sentiment reduced Veterans Day to an excuse for merchants to promote "Veterans Day" sales instead of honoring the sacrifices made by millions of men and women who choose to defend our nation. (Attachment 14)

Ken Stodgell, VFW State Legislative Chairman, testified in favor of **HB 2728**. Mr. Stodgell related that in his opinion, that given what veterans have sacrificed for the state and country, it certainly seems appropriate that their employers would allow them the small gesture of a paid day off for Veteran's Day. (Attachment 15)

Frank Lowery, a veteran from Emporia, Kansas, spoke regarding the phrase "Life, Liberty and the pursuit of Happiness." In his opinion that phrase is being taken for granted throughout the nation. He supports **HB 2728** not just because he is a veteran, but in part because of what President Ronald Reagan said in 1981, "Freedom is never more than one generation away from extinction, it must be fought for, protected and handed on." He further opined that **HB 2728** sends a message that we as Americans understand that our Freedoms, Rights and Privileges have come with a price and our Veterans have paid that price. (Attachment 16)

Written testimony was supporting **HB 2728** was received from Frank Nichols, a Veteran from Emporia, Kansas. (Attachment 17)

There were no opponents of the bill.

There was a request for Research to try to obtain information regarding the number of employed veterans in the state and their wages.

With no further business before the committee, Chairman Edmonds adjourned the meeting.



1640 Rhode Island Ave., NW, Ste. 650 / Washington, DC 20036  
tel (202) 736-2200 / fax (202) 736-2222  
<http://www.campaignlegalcenter.org>

## *The Reform Institute*

• 300 North Washington Street, Suite 600 • Alexandria, VA 2314  
• Tel (703) 535-6897 • Fax (866) 863.5510  
[www.reforminstitute.org](http://www.reforminstitute.org)

### Paul Ryan

Paul S. Ryan has specialized in campaign finance, ethics, and election law for seven years and is former Political Reform Project Director at the Center for Governmental Studies (1999-2004) in Los Angeles. Mr. Ryan regularly represents the Campaign Legal Center before the Federal Election Commission. He is also one of the nation's leading experts on public campaign financing and local government campaign finance law and has published extensively on these topics. His publications include *Investing in Democracy: Creating Public Financing of Elections in Your Community*, Center for Governmental Studies 2003, *Beyond BCRA: Cutting Edge Campaign Finance Reform at the Local Government Level*, the National Civic Review 2003, and *A Statute of Liberty: How New York City's Campaign Financing Law is Changing the Face of Local Elections*, Center for Governmental Studies 2003.

### Winnie Strzelecki

Winnie Strzelecki joined the Institute in 2003 and serves as the field director for the Reform Institute. She has served as a government relations consultant in the New York state legislature for Featherston, Conway, Wiley & Clyne, LLP. She has also served as the government relations associate for the National Society of Professional Engineers. She holds a master's degree from George Washington University in political management.

FEDERAL AND STATE AFFAIRS

Date 2-7-06

Attachment 1



# The Reform Institute

The Honorable Amo Houghton  
President

Cecilia Martinez  
Executive Director

The health of a free society can be measured by the willingness of ordinary people to take an active role in the nation's democratic institutions. The Reform Institute's mission is to help reestablish the essential connection between citizens and their government, and to renew the American tradition of meaningful, active citizen participation in the nation's civic life.

The Institute is a nonprofit, nonpartisan 501(c)(3) educational organization dedicated to achieving those goals by promoting open and fair elections by reducing the influence of special interests in our politics, and by neutralizing the political influences percolating into the reform debate.

The Institute is a unique, independent voice in the constellation of watchdog organizations. We are entirely non-partisan and strive for objectivity in our approach. We believe the reform agenda can only flourish when partisan politics are largely removed from the debate.

The Institute brings together a broad base of reformers from all ideological spectrums, including business leaders, elected officials and, most importantly, average Americans who are tired of politics as usual.

The Institute's distinctive network is reflected in the members of our Advisory Board—a bipartisan group of notable academics, legal experts, election administrators and public officials. The Advisory Board is chaired by former **Congressman Amo Houghton** and includes **Charles Kolb** (Committee for Economic Development), **Norm Ornstein** (American Enterprise Institute), **Tom Mann** (Brookings Institution), **U.S. Senator Lindsey Graham**, **Cameron Quinn** (International Foundation for Election Systems), **David Pottruck** (former CEO, Charles Schwab) and former **U.S. Senators David Boren** and **Bob Kerry**. These and other members of the Board have joined forces to carry forward the reform agenda from a moderate vantage point.

## Building on a Strong Foundation

The Reform Institute was founded in 2001 in direct response to the millions of Americans who, during **Senator John McCain's** 2000 presidential campaign, expressed profound disillusionment with corrupt fundraising activities and the political "closed shop." The Senator's campaign was grounded in the urgent need for a new era in the campaign finance reform movement and captivated the imagination of an unprecedented spectrum of voters.

Building on the momentum generated during the 2000 campaign, the Institute began its quest for reform during the 2001-2002 Congressional debate on a historic effort to end the corrupting scourge of "soft money" – vast, unregulated contributions from corporations, labor unions and the nation's wealthiest individuals. We also sought to end soft money funding of sham "issue ads:" the thinly veiled, largely anonymous attack ads that plague the airwaves near election time. This epic legislative battle was the catalyst behind the creation of the 37-member coalition known as **Americans for Reform** that worked to raise awareness about soft money and conducted a large-scale campaign to educate the public about problems in our system of campaign finance.

## Advancing the Reform Agenda

Since Congress passed those initiatives in the Bipartisan Campaign Reform Act of 2002, also known as McCain-Feingold, the Reform Institute has moved into new territory. We are working for proper implementation of the Reform Act by the Federal Election Commission, promoting restructuring of the troubled Commission itself, reforming 527 political organizations, promoting thoughtful solutions to global climate change, and encouraging young Americans to participate in elections.

The Institute also works hard at the state level to implement key election reforms that will break down the barriers to democracy and help open up the political process. This includes promoting open primaries, fair redistricting and ballot access practices, public campaign funding, lowering barriers to voter registration and access to the ballot, as well as encouraging an independent judiciary by reforming elected state judicial systems that are now compromised by campaign finance corruption.

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Attachment 2



## **Bipartisan Campaign Reform Act of 2002 Pillars for States**

The successful passage of McCain-Feingold, now the Bipartisan Campaign Reform Act of 2002, marks the beginning of a new era in the reform movement. BCRA bans raising or spending soft money in federal elections, as well as increases public disclosure of political advertisements close to an election.

The following is an outline of the constitutional components of a state soft money ban, modeled after the Bipartisan Campaign Reform Act of 2002<sup>1</sup>:

### **Pillar I: Soft Money Ban**

- Prohibit state parties from soliciting, receiving, directing, transferring or spending soft money (*i.e.*, funds not in compliance with state contribution amount limitations and source prohibitions).
- Prohibit state officeholders and candidates from soliciting, receiving, directing, transferring or spending soft money.

### **Pillar II: Electioneering Communications (30/60 Rule)**

- Create a state "electioneering communication" rule (AKA 30/60 rule) like that which was enacted at the federal level as part of BCRA – requiring all political advertisements clearly identifying a state candidate, targeted at their electorate, and disseminated within 30 days of a primary or 60 days of a general election to be paid for with hard money.
- Prohibit corporations and labor unions from using treasury funds to pay for electioneering communications<sup>2</sup>.
- Require every person who makes a payment for an electioneering communication to disclose their spending to the appropriate state filing agency (*e.g.* elections board, ethics commission, Secretary of State).
- Treat electioneering communications made by a non-candidate, but coordinated with a candidate, as a contribution from the non-candidate to the candidate subject to any applicable contribution limits<sup>3</sup>.

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<sup>1</sup> The major pillars of the Bipartisan Campaign Reform Act (including the soft money ban and electioneering communications restrictions) were deemed constitutional by the U.S Supreme Court in *McConnell v FEC*.

<sup>2</sup> Like federal law, the laws of many states currently prohibit corporations and labor unions from spending treasury funds to influence candidate elections. An electioneering communication rule adopted at the state level should include a provision mirroring BCRA's explicit prohibition on the use of corporate and union treasury funds to pay for electioneering communications.

<sup>3</sup> In *McConnell v FEC*, the U.S Supreme Court said the following about the statutory definition of coordination: "Congress has always treated expenditures made after a wink or nod as coordinated."

### **Pillar III: Ad Disclaimers**

- Require candidates and other political committees to state in their advertisements that the advertisement is paid for and authorized by the candidate / committee (better known as the "stand by your ad" provision).

#### **NOTE:**

- BCRA already regulates state party spending soft money on federal election activity.
- BCRA already bans state candidates from spending soft money on public communications that promote or attack federal candidates.

## Summary of Supreme Court Decision on McCain-Feingold

Campaign Legal Center, December 10, 2003

The Court upheld the soft money and "electioneering communications" provisions of BCRA, emphasizing the dangers of large contributions to political parties, and of corporate and labor funding of campaign ads.

The Court *upheld* the following:

1. The prohibition on the national parties' raising or spending soft money
2. the regulation of state parties' spending soft money on federal election activity
3. The ban on federal officeholders or candidates' raising or spending soft money
4. The prohibition on political parties' transferring or soliciting soft money for politically active, tax-exempt groups (construing this provision to apply only to soft money)
5. The ban on state candidates' spending soft money on public communications that promote or attack federal candidates
6. The act's definition of "electioneering communication" as a broadcast advertisement mentioning a federal candidate, targeted at their electorate, and aired within 30 days of a primary or 60 days of a general election
7. The requirement that corporations and unions use only hard money (instead of "soft money" treasury funds) to pay for electioneering communications
8. The requirement that individuals disclose their spending on electioneering communications to the FEC
9. The requirement that coordinated electioneering communications be treated as contributions to candidates and parties

10. The statutory definition of "coordination," saying "Congress has always treated expenditures made after a wink or nod as coordinated."

11. The new FCC requirements for candidate disclosure, better known as the "stand by your ad" provision

The Court held the following provisions "*nonjusticiable*"; (that is, the justices declined to rule on the merits of the issue, generally because the issue was not yet ripe for judgment and/or because the plaintiffs lacked standing to sue.)

1. The increase in "hard money" contribution limits (from \$1000 to \$2000) for individuals (lack of standing)
2. The "millionaires amendment" (lack of standing)
3. The challenge to the FEC's coordination regulations (not ripe for adjudication)

The Court *struck down* the following:

1. The provision prohibiting minors 17 years and younger from making political contributions
2. The provision requiring parties to choose between making independent expenditures or coordinated expenditures on behalf of candidate

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Attachment 4



## Summary of North Carolina Electioneering Legislation, H737

- Requires corporate and labor groups use only hard money to pay for electioneering communications during the 30/60 days prior to the primary/general election – including mass mailings and telephone banks in the electioneering communication definition
- Disclosure: Requires every individual, committee, association or any other organization or group of individuals that makes a disbursement for the direct costs of producing and airing electioneering communications in an aggregate amount in excess of ten thousand dollars during any calendar year to disclosure with the Board of Elections within 24 hours.
- Does NOT include soft money ban
- Signed into law by Governor July 20, 2004

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Attachment 5

ST	BILL NO.	DOC TYPE	VERSION	LEGIS DATE
N	CHB737	Bill Text	Enrolled	7/18/2004
Constitutional Limits.				

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

HOUSE BILL 737  
RATIFIED BILL

AN ACT TO PROVIDE FOR CONSTITUTIONAL REQUIREMENTS FOR REPORTING AND REGULATION OF ELECTIONEERING COMMUNICATIONS, AS APPROVED BY THE UNITED STATES SUPREME COURT; TO ADOPT CONSTITUTIONAL LIMITS FOR CORPORATE EXPENDITURES ON MASS MAILINGS AND TELEPHONE BANKS; AND TO REPEAL A DUPLICATIVE REQUIREMENT FOR OUT-OF-STATE CONTRIBUTORS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 163 of the General Statutes is amended by adding a new Article to read:

**"Article 22E.**

**"Electioneering Communications.**

**"§ 163-278.80. Definitions.**

As used in this Article, the following terms have the following definitions:

(1) The term 'disclosure date' means either of the following:

- a. The first date during any calendar year when an electioneering communication is aired after an entity has made disbursements for the direct costs of producing or airing electioneering communications aggregating in excess of ten thousand dollars (\$10,000).
- b. Any other date during that calendar year by which an entity has made disbursements for the direct costs of producing or airing electioneering communications aggregating in excess of ten thousand dollars (\$10,000) since the most recent disclosure date for that calendar year.

(2) The term 'electioneering communication' means any broadcast, cable, or satellite communication that has all the following characteristics:

- a. Refers to a clearly identified candidate for a statewide office or the General Assembly.
- b. Is made within one of the following time periods:
  1. 60 days before a general or special election for the office sought b

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- the candidate, or
2. 30 days before a primary election or a convention of a political party that has authority to nominate a candidate for the office sought by the candidate.
- c. Is targeted to the relevant electorate.
- (3) The term 'electioneering communication' does not include any of the following:
- a. A communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless those facilities are owned or controlled by any political party, political committee, or candidate.
- b. A communication that constitutes an expenditure or independent expenditure under Article 22A of this Chapter.
- c. A communication that constitutes a candidate debate or forum conducted pursuant to rules adopted by the Board or that solely promotes that debate or forum and is made by or on behalf of the person sponsoring the debate or forum.
- d. A communication made while the General Assembly is in session which, incidental to advocacy for or against a specific piece of legislation pending before the General Assembly, urges the audience to communicate with a member or members of the General Assembly concerning that piece of legislation.
- (4) The term 'prohibited source' means any corporation, insurance company, labor union, or professional association. The term 'prohibited source' does not include an entity that meets all the criteria set forth in G.S. 163-278.19(f).
- (5) The term 'targeted to the relevant electorate' means a communication which refers to a clearly identified candidate for statewide office or the General Assembly and which can be received by 50,000 or more individuals in the State in the case of a candidacy for statewide office and 7,500 or more individuals in the district in the case of a candidacy for General Assembly.
- (6) The term '501(c)(4) organization' means either of the following:
- a. An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of that Code.
- b. An organization that has submitted an application to the Internal Revenue Service for determination of its status as an organization described in sub-subdivision a. of this subdivision.
- (7) Except as otherwise provided in this Article, the definitions in Article 22A of this Chapter apply in this Article.

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**"§ 163-278.81. Disclosure of Electioneering Communications.**

(a) Statement Required. - Every individual, committee, association, or any other organization or group of individuals that makes a disbursement for the direct costs of producing and airing electioneering communications in an aggregate amount in excess of ten thousand dollars (\$10,000) during any calendar year shall, within 24 hours of each disclosure date, file with the Board a statement containing the information described in subsection (b) of this section.

(b) Contents of Statement. - Each statement required to be filed by this section shall be made under the penalty of perjury in G.S. 14-209 and shall contain the following information:

(1) The identification of the entity making the disbursement, of any entity sharing or exercising direction or control over the activities of that entity, and of the custodian of the books and accounts of the entity making the disbursement.

(2) The principal place of business of the entity making the disbursement if the entity is not an individual.

(3) The amount of each disbursement of more than one thousand dollars (\$1,000) during the period covered by the statement and the identification of the entity to whom the disbursement was made.

(4) The elections to which the electioneering communications pertain and the names, if known, of the candidates identified or to be identified.

(5) If the disbursements were paid out of a segregated bank account that consists of funds contributed solely by individuals directly to that account for electioneering communications, the names and addresses of all contributors who contributed an aggregate amount of more than one thousand dollars (\$1,000) during the period beginning on the first day of the preceding calendar year and ending on the disclosure date. Nothing in this subdivision is to be construed as a prohibition on the use of funds in such a segregated account for a purpose other than electioneering communications.

(6) If the disbursements were paid out of funds not described in subdivision (5) of this subsection, the names and addresses of all contributors who contributed an aggregate amount of more than one thousand dollars (\$1,000) to the entity making the disbursement during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

**"§ 163-278.82. Prohibition of corporate and labor disbursements for electioneering communications.**

(a) Prohibition. - No prohibited source may make any disbursement for the costs of producing or airing any electioneering communication. No individual, committee, association, or any other organization or group of individuals,

including but not limited to, a political organization (as defined in section 527(e)(1) of the Internal Revenue Code of 1986), which has received any payment from a prohibited source may make any disbursement for the costs of producing and airing any electioneering communication. For the purpose of this section, the term 'electioneering communication' does not include a communication by a section 501(c)(4) organization or a political organization (as defined in section 527(e)(1) of the Internal Revenue Code of 1986) if the communication is paid for exclusively by funds provided by individuals and the disbursements for costs of producing and airing the communication are paid out of a segregated bank account that consists of funds contributed solely by individuals directly to that account.

(b) Direct or Indirect Disbursement. - An electioneering communication shall be treated as made by a prohibited source if the prohibited source directly or indirectly disburses any amount for any of the costs of the communication.

**"§ 163-278.83. Penalties.**

Except as otherwise provided in this Article, a violation of this Article is a Class 2 misdemeanor. The State Board of Elections has the same authority to compel from any organization covered by this Article the disclosures required by this Article that the Board has to compel from a political committee the disclosures required by Article 22A of this Chapter. The civil penalties in G.S. 163-278.34 shall apply to violations of this Article, and where those provisions apply to violations involving contributions and expenditures they shall apply in the same manner to payments and disbursements in violation of G.S. 163-278.82."

**SECTION 2.** Chapter 163 of the General Statutes is amended by adding a new Article to read:

**"Article 22F.**

**"Mass Mailings and Telephone Banks: Electioneering Communications.**

**"§ 163-278.90. Definitions.**

As used in this Article, the following terms have the following definitions:

(1) The term 'disclosure date' means either of the following:

a. The first date during any calendar year when an electioneering communication is transmitted after an entity has made disbursements for the direct costs of producing or transmitting electioneering communications aggregating in excess of ten thousand dollars (\$10,000).

b. Any other date during that calendar year by which an entity has made disbursements for the direct costs of producing or transmitting electioneering communications aggregating in excess of ten thousand dollars (\$10,000) since the most recent disclosure date for that calendar year.

(2) The term 'electioneering communication' means any mass mailing or telephone bank that has all the following characteristics:

a. Refers to a clearly identified

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candidate for a statewide office or the General Assembly.

b. Is made within one of the following time periods:

- 1. 60 days before a general or special election for the office sought by the candidate, or
- 2. 30 days before a primary election or a convention of a political party that has authority to nominate a candidate for the office sought by the candidate.

c. Is targeted to the relevant electorate.

(3) The term 'electioneering communication' does not include any of the following:

- a. A communication appearing in a news story, commentary, or editorial distributed through any newspaper or periodical, unless that publication is owned or controlled by any political party, political committee, or candidate.
- b. A communication that constitutes an expenditure or independent expenditure under Article 22A of this Chapter.
- c. A communication that constitutes a candidate debate or forum conducted pursuant to rules adopted by the Board or that solely promotes that debate or forum and is made by or on behalf of the person sponsoring the debate or forum.
- d. A communication that is distributed by a corporation solely to its shareholders or employees, or by a labor union or professional association solely to its members.
- e. A communication made while the General Assembly is in session which, incidental to advocacy for or against a specific piece of legislation pending before the General Assembly, urges the audience to communicate with a member or members of the General Assembly concerning that piece of legislation.

(4) The term 'mass mailing' means any mailing by United States mail or facsimile that is targeted to the relevant electorate and is made by a commercial vendor or made from any commercial list. Part 1A of Article 22A of this Chapter has its own internal definition of 'mass mailing' under the definition of 'print media,' and that definition does not apply in this Article.

(5) The term 'prohibited source' means any corporation, insurance company, labor union, or professional association. The term 'prohibited source' does not include an entity that meets all the criteria set forth in G.S. 163-278.19(f).

(6) The term 'targeted to the relevant electorate' means a communication which refers to a clearly identified candidate for statewide office or the General Assembly and which:



a. If transmitted by mail or facsimile in connection with a clearly identified candidate for statewide office, is transmitted to 50,000 or more addresses in the State, by the transmission of identical or substantially similar matter within any 30-day period, or, in connection with a clearly identified candidate for the General Assembly, is transmitted to 5,000 or more addresses in the district, by the transmission of identical or substantially identical matter within any 30-day period.

b. If transmitted by telephone, in connection with a clearly identified candidate for statewide office, more than 50,000 telephone calls in the State of an identical or substantially similar nature within any 30-day period, or in the case of a clearly identified candidate for the General Assembly, more than 5,000 calls in the district of an identical or substantially similar nature within any 30-day period.

(7) The term 'telephone bank' means telephone calls that are targeted to the relevant electorate, except when those telephone calls are made by volunteer workers, whether or not the design of the telephone bank system, development of calling instructions, or training of volunteers was done by paid professionals.

(8) The term '501(c)(4) organization' means either of the following:

a. An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of that Code.

b. An organization that has submitted an application to the Internal Revenue Service for determination of its status as an organization described in sub-subdivision a. of this subdivision.

(9) Except as otherwise provided in this Article, the definitions in Article 22A of this Chapter apply in this Article.

**"§ 163-278.91. Disclosure of Electioneering Communications.**

(a) Statement Required. - Every individual, committee, association, or any other organization or group of individuals who makes a disbursement for the direct costs of producing and transmitting electioneering communications in an aggregate amount in excess of ten thousand dollars (\$10,000) during any calendar year shall, within 24 hours of each disclosure date, file with the Board a statement containing the information described in subsection (b) of this section.

(b) Contents of Statement. - Each statement required to be filed by this section shall be made under the penalty of perjury in G.S. 14-209 and shall contain the following information:

(1) The identification of the entity making the disbursement, of any entity sharing or exercising direction or control over the activities

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of that entity, and of the custodian of the books and accounts of the entity making the disbursement.

- (2) The principal place of business of the entity making the disbursement if the entity is not an individual.
- (3) The amount of each disbursement of more than one thousand dollars (\$1,000) during the period covered by the statement and the identification of the entity to whom the disbursement was made.
- (4) The elections to which the electioneering communications pertain and the names, if known, of the candidates identified or to be identified.
- (5) If the disbursements were paid out of a segregated bank account that consists of funds contributed solely by individuals directly to that account for electioneering communications, the names and addresses of all contributors who contributed an aggregate amount of more than one thousand dollars (\$1,000) during the period beginning on the first day of the preceding calendar year and ending on the disclosure date. Nothing in this subdivision is to be construed as a prohibition on the use of funds in such a segregated account for a purpose other than electioneering communications.
- (6) If the disbursements were paid out of funds not described in subdivision (5) of this subsection, the names and addresses of all contributors who contributed an aggregate amount of more than one thousand dollars (\$1,000) to the entity making the disbursement during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

**"§ 163-278.92. Prohibition of corporate and labor disbursements for electioneering communications.**

(a) Prohibition. - No prohibited source may make any disbursement for the costs of producing or airing any electioneering communication. No individual, committee, association, or any other organization or group of individuals, including but not limited to, a political organization (as defined in section 527(e) (1) of the Internal Revenue Code of 1986), which has received any payment from a prohibited source may make any disbursement for the costs of producing and airing any electioneering communication. For the purpose of this section, the term 'electioneering communication' does not include a communication by a section 501(c) (4) organization or a political organization (as defined in section 527(e) (1) of the Internal Revenue Code of 1986) if the communication is paid for exclusively by funds provided by individuals and the disbursements for costs of producing and airing the communication are paid out of a segregated bank account that consists of funds contributed solely by individuals directly to that account.

(b) Direct or Indirect Disbursement. - An electioneering communication shall be treated as made by a prohibited source if the prohibited source directly or

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indirectly disburses any amount for any of the costs of the communication.

**"§ 163-278.93. Penalties.**

Except as otherwise provided in this Article, a violation of this Article is a Class 2 misdemeanor. The State Board of Elections has the same authority to compel from any organization covered by this Article the disclosures required by this Article that the Board has to compel from a political committee the disclosures required by Article 22A of this Chapter. The civil penalties in G.S. 163-278.34 shall apply to violations of this Article, and where those provisions apply to violations involving contributions and expenditures they shall apply in the same manner to payments and disbursements in violation of G.S. 163-278.92."

**SECTION 3.** G.S. 163-278.6(6) reads as rewritten:

"(6) The terms 'contribute' or 'contribution' mean any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, to a candidate to support or oppose the nomination or election of one or more clearly identified candidates, to a political committee, to a political party, or to a referendum committee, whether or not made in an election year, and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make a contribution. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods. Notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, political committee, or referendum committee. The term 'contribution' does not include an 'independent expenditure.' If:

- a. Any individual, person, committee, association, or any other organization or group of individuals, including but not limited to, a political organization (as defined in section 527(e) (1) of the Internal Revenue Code of 1986) makes, or contracts to make, any disbursement for any electioneering communication, as defined in G.S. 163-278.80(2) and (3) and G.S. 163-278.90(2) and (3); and
- b. That disbursement is coordinated with a candidate, an authorized political committee of that candidate, a State or local political party or committee of that party, or an agent

or official of any such candidate, party, or committee  
that disbursement or contracting shall be treated as a contribution to the candidate supported by the electioneering communication or that candidate's party and as an expenditure by that candidate or that candidate's party."

**SECTION 4.** G.S. 163-278.12A is repealed.

**SECTION 5. (a)** G.S. 163-278.8(c) is repealed.

**SECTION 5. (b)** G.S. 163-278.14(b) reads as rewritten:

"(b) ~~No individual or person entity~~ shall give, and no candidate, committee or treasurer shall accept, any monetary contribution in excess of one hundred dollars (\$100.00) unless such contribution be in the form of a check, draft, money order, credit card charge, debit, or other noncash method that can be subject to written verification. The State Board of Elections may prescribe guidelines as to the reporting and verification of any method of contribution payment allowed under this Article. For a contribution made by credit card, the credit card account number of a contributor is not a public record."

**SECTION 5. (c)** This section applies to any contribution made on or after January 1, 2003.

**SECTION 6.** The provisions of this act are severable. If any provision of this act is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions of the act that can be given effect without the invalid provision.

**SECTION 7.** This act is effective when it becomes law, except as otherwise provided in this act, and except that any criminal penalty resulting from this act becomes effective October 1, 2004.

In the General Assembly read three times and ratified this the 18th day of July, 2004.

\_\_\_\_\_  
 Marc Basnight  
 President Pro Tempore of the  
 Senate

\_\_\_\_\_  
 Richard T. Morgan  
 Speaker of the House of  
 Representatives

\_\_\_\_\_  
 Michael F. Easley

6-9

Governor

Approved \_\_\_\_\_ .m. this \_\_\_\_\_ day of  
\_\_\_\_\_, 2004

6-10





## A Win for Campaign Reform

February 3, 2005  
By DAVID BRODER

As one who has been skeptical of the claimed virtues of the McCain-Feingold campaign finance law, I am happy to concede that it has, in fact, passed its first test in the 2004 campaign with flying colors.

The 2002 law, which insiders refer to as BCRA (for Bipartisan Campaign Reform Act, pronounced bick-rah), did not, as many of us critics feared, weaken political parties or stifle political debate. Instead it played at least a supportive role in the greatest-~~upsurge ever~~ recorded in the number of small contributors.

Those conclusions were, in effect, forced on me by listening to a bevy of experts present their evidence at a recent forum sponsored by the nonpartisan Campaign Finance Institute in Washington.

Michael Malbin, the institute's executive director, reminded listeners at the outset that, when it was passed in 2002, BCRA, which he called "the most important change in a generation" in campaign finance regulation, had drawn vehement criticism.

While some argued that it did too little to stem the flow of money into politics, Malbin said, the main complaint was that "it did too much." Its ban on unlimited "soft money" contributions to the parties would weaken their role, critics said, and its restrictions on outside groups' ads during campaign time would harm free speech.

The prediction about the parties turned out to be flat wrong. As Anthony Corrado of Colby College showed, the national party committees together raised \$1.2 billion in hard money (regulated contributions) in the 2004 election cycle, \$140 million more than they had raised in hard and soft money combined for the 2000 contest.

They were helped by a boost in the maximum permitted hard-money contribution but even more by a vast increase in the number of small donors. Republicans had been working away at that goal for years, but they still were able to expand their donor base in 2004 by 1.8

million.

For Democrats, the change was dramatic. From a dependence on soft money for more than half the budget in 2000, said Jackson "Jay" Dunn, the DNC's national finance director, Democrats switched to a reliance on small donors. They expanded their list of direct-mail prospects from 1 million to 100 million and their Internet contacts from 70,000 to 1 million.

While Republicans held an overall fundraising advantage, Democrats narrowed the gap to the smallest in two decades and, for the first time, the Democratic National Committee actually outraised the Republican National Committee.

But there were significant differences in the way the two sides spent their money. Democrats emphasized TV ads, filling in for John Kerry during times in the campaign when their nominee was running low on funds. Republicans put the bulk of their funds into grass-roots organizing.

Jack Oliver, a principal fundraiser for the Bush campaign and the RNC, said that difference paid off for the president in closely contested states such as Ohio. There and elsewhere, he said, local volunteers recruited by the Bush campaign proved more adept at turning out voters than the out-of-state workers hired by independent groups to whom the Democrats "outsourced" much of their precinct work.

Despite these differences, all three of the experts -- Corrado, Dunn and Oliver -- agreed that the emphasis in coming campaign cycles will be on face-to-face contact with voters.

Corrado complimented the Democrats for recruiting 233,000 volunteers who made 11 million phone calls. But he said he was even more impressed by the way those in the Bush campaign linked candidate appearances and scheduling decisions to voter mobilization efforts.

Because they knew that the president, the vice president and the first lady could draw crowds, they offered seats and standing room at their events as rewards for people who had volunteered time on the campaign. And the Bush-Cheney rally attendees were recruited on the spot to go back out to the precincts and work

FEDERAL AND STATE AFFAIRS

Date 2-7-06  
Attachment 7

# THE WALL STREET JOURNAL

## McCain-Feingold Did Its Job

November 18, 2004

By ALBERT R. HUNT

The most compelling case for the success of the McCain-Feingold campaign-finance measure is the case that was made against it.

This was a passionately contested national election, many voices were heard and there were unprecedented resources and grass-roots activities. This was exactly what opponents of McCain-Feingold -- which banned the use of soft money, the huge, unregulated sums that dominated previous campaigns -- said would not happen. Instead the sky-is-falling crowd told us:

"Political parties would wither away; Republican Sen. Mitch McConnell charged McCain-Feingold meant "the mutual assured destruction of the political parties."

Instead the Republicans and Democrats flourished, raising more money -- well over \$1 billion, up about 20% from four years ago, even without soft money -- vastly increasing the number of donors, especially small givers, and expanding their support for candidates around the country.

"We have much stronger parties today under McCain-Feingold," says Anthony Corrado, a campaign-finance expert at Colby College and fellow at the Brookings Institution. "They both have much broader donor rolls, bigger lists and organizational structures and thus played a bigger role in candidate support."

The Democrats, who relied more on soft money, had signed onto "a suicide bill." Joseph Sandler, counsel to the Democratic National Committee, voiced what more than a few party stalwarts privately thought -- that this "fascist monstrosity" would be "a disaster for the Democrats."

Au contraire, Mr. Sandler. Terry McAuliffe, with the necessity of McCain-Feingold, revolutionized the Democrats' dependency on big special interest money. The number of contributors rose nearly seven-fold to 2.7 million; even with the electoral drubbing, the Democrats are in the best financial shape in years. Before the new law, the party turned to rich liberals or Hollywood for big donations; this year they worked hard at cultivating smaller

contributors and had remarkable success.

Two years ago the status-quo Cassandras said it would devastate the party's presidential candidate. George Bush, who raised twice as much money as Al Gore four years ago in the primaries (the general election is publicly financed), would have such a large advantage the election would be over by June. The facts: Mr. Bush raised \$260 million, or nearly three times as much as last time; Sen. Kerry, however, raised \$248 million, nearly five times more than Al Gore in 2000; there was no money advantage. Over the Internet, Sen. Kerry raised \$82 million, much more than Al Gore raised altogether. This is citizen-involvement money not special-interest dough.

Grass-roots activity would be choked off. There was more grass-roots activity around the country this year than anytime in memory. Undoubtedly, labor unions and business organizations funneled some of those resources that used to be devoted to soft-money contributions to grass-roots organizing and get-out-the-vote operations. Terrific.

Speech would be sacrificed. The soft money ban, Senate Judiciary Committee Chairman Orrin Hatch flatly insisted, "is an infringement on the rights of free speech."

Perhaps Sen. Hatch can tell us whose speech was silenced this year? There was no shortage of views and counterinterviews; no points of view were eliminated by McCain-Feingold. The campaign-reform legislation didn't outlaw speech. What it did say was that overtly political activities in federal campaigns fell under the federal law.

The soft-money ban was a sham, as loopholes simply would funnel the big money elsewhere.

Here the critics are semi-right. The proliferation of the 527s -- named for a section of the Internal Revenue code -- was fueled by wealthy donors of both sides: Democrats like billionaire George Soros and Peter Lewis and Republicans like Texans Boone Pickens and Bob Perry. This resulted in this year's toughest attack; the sleazy anti-Kerry swift boat ads and the anti-Bush Media Fund attacks.

FEDERAL AND STATE AFFAIRS

Date 2-7-06

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# USA TODAY

## Paying for campaigns: McCain eyes next target

November 4, 2004  
By JOHN McCAIN

The elections of 2004 proved the success of the McCain-Feingold Bipartisan Campaign Reform Act while highlighting a new problem within the system that still needs to be addressed.

The 2002 bill I sponsored with Sen. Russ Feingold, D-Wis., has worked well to achieve its most important objective. It was primarily designed to eliminate the corrupt influence that corporations, labor unions and wealthy individuals had on our government through their large soft-money contributions.

Today, soft money is illegal in federal campaigns. No longer can a president, senator, member of Congress or head of a national party solicit huge sums of unregulated money for a federal campaign. Before McCain-Feingold, corporate and labor-union donors forked over six- and seven-figure soft-money contributions to gain access to and buy influence over officeholders — or perhaps worse — to avoid legislative reprisals from them.

Further evidence of the act's success is the significant reduction of sham "issue ads." In the mid-1990s, corporations and labor unions began evading laws that banned the use of their treasury funds for federal elections by using those funds to pay for campaign ads that attacked and promoted federal candidates and were disguised as "issue ads." The act shut down this circumvention of the law by requiring corporations and labor unions to use PAC money, raised voluntarily from individuals, and not their treasury funds, to run ads referring to federal candidates.

For years, the opponents of reform predicted that the act would result in the destruction of political parties. In fact, the national political parties raised more hard money (direct, limited contributions to campaigns) in the 2004 election cycle than they raised in hard and soft money combined in 2000. The political

parties are thriving under this system. This new grassroots emphasis, particularly successful in Internet fundraising, has led to record numbers of new small donors and a broadening of each party's financial base.

While McCain-Feingold ended the soft-money game, a new problem has emerged in the form of tax-exempt 527 groups, named for a section of the tax code for a category of non-profit political organizations. Political operatives in both parties created new 527 groups to circumvent campaign finance laws and continue to inject soft money into federal elections. The 527 groups illegally raised and spent tens of millions of dollars in soft money on ads and partisan voter-mobilization efforts to influence the presidential election.

At the core of the financing for these groups was a relatively small number of very wealthy individuals making large soft-money contributions. Four individuals alone gave a combined total of \$78 million to these groups. Our law was not designed to lower spending in elections because the reality is that it costs money to communicate political views. It was, however, designed to ensure that the money political groups spend in federal elections is limited to reasonable, small contributions from individuals to prevent corruption and the appearance of corruption.

This new problem is not because of any deficiencies in McCain-Feingold. The loophole for 527 groups was created solely by the Federal Election Commission (FEC), which is responsible for enforcing the nation's campaign finance laws.

Federal laws and U.S. Supreme Court decisions established that a 527 group whose "major purpose" is to influence federal elections must register as a federal political committee and comply with contribution limits. The FEC refused to take action to rein in these rogue 527s. In response, Reps. Christopher Shays, R-Conn., and Marty Meehan, D-Mass., filed a lawsuit against the FEC for failing to force these 527s to comply with federal campaign finance laws.

In addition, Feingold and I joined the

FEDERAL AND STATE AFFAIRS

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# Business Week

## CAMPAIGN FINANCE: HOW TO FIX A RIGGED SYSTEM

June 14, 2004

In 2002, 98.2 percent of House incumbents, raising an average of \$ 900,000 apiece, were reelected

Of all the roadblocks to democracy, money -- more precisely, the lack of it -- looms as perhaps the most daunting. Consider the not atypical case of Philip T. Bradley. A year ago, the former GOP chairman of the South Carolina Public Service Commission opted to run for an open House seat. He had name recognition from a 10-year stint in the state legislature and a passel of ideas for economic development and improving schools.

But Bradley, a conservative from Greenville, couldn't turn on the golden spigot. After a yearlong effort produced only \$ 50,000, he quit the race in April. "If you aren't the incumbent or you don't have personal wealth," he laments, "there's almost no hope of winning."

No kidding. A House incumbent in 2002 raised, on average, nearly \$ 900,000 to keep a seat, much of it from vested interests. That's up from \$ 650,000 in 1998. The typical House challenger in the last election raised only \$ 197,000. Incumbents' fund-raising edge is a key reason competition has drained out of congressional races. Some 98.2% of House incumbents won reelection in 2002. Senators are only slightly more vulnerable.

In 2004, megabuck politics will reach new heights. This year's Presidential and congressional elections may cost more than \$ 3 billion, up from \$ 2 billion in 2000. But the problem is not the total amount of cash. It's that too much of it comes from special-interest groups and too little of it goes to challengers. The result is near-guaranteed incumbency in Congress, a lack of fresh blood and new thinking -- and yet another reason for voters to feel the status quo is cast in stone.

Despite the passage of major reforms in 2002 -- changes that banned candidates and

parties from raising unlimited "soft dollars" -- most polls remain hopelessly hooked on special-interest cash. As races grow more costly, the money gap between incumbents and challengers is widening. Today, predicting the outcome of an election is a snap. Just check who has the most cash on hand. Says Fred Wertheimer, president of the nonpartisan reform group Democracy 21: "We only have the illusion, and not the reality, of [competitive] elections."

Clearly, there's a need for more reform. But fixing a rigged system is a challenge. It took seven years to pass the Bipartisan Campaign Reform Act, better known as McCain-Feingold, after Senators John McCain (R-Ariz.) and Russell D. Feingold (D-Wis.). The next reform phase, which McCain vows to kick off next year, should aim at helping challengers and wringing even more interest-group money out of elections. Among the top priorities:

1. FIX THE PUBLIC FUND Currently, taxpayers can check a box on their IRS return to send \$ 3 to the Presidential campaign fund. The pool matches the first \$ 250 of every contribution a candidate gets during the primaries. It also pays most of the bills for the general election and the conventions. In exchange for subsidies, candidates must adhere to spending limits during the primaries and refrain from raising private funds during the general election. This year, though, President Bush and John Kerry opted out of primary public financing to spend \$ 300 million on hot-button advertising.

The fund's main problem? It hasn't kept pace with inflation. A total of about \$ 236 million is available for 2004. The cost for both party conventions and the general election alone will run \$ 175 million. That leaves \$ 61 million to cover all the 2004 candidates' primary subsidies -- not nearly enough.

Just as important, the system needs a nationwide public-relations campaign to explain why folks should check the box. Last year only

FEDERAL AND STATE AFFAIRS

Date 2-7-06

Attachment 10



Aug 22, 2004

Prompted partly by Moore County's bruising Morgan-Crutchfield race, the N.C. General Assembly puts controls on committees that offer stealth support to candidates.

# Curbing the '527s'

This special extended edition of the N.C. Center for Voter Education's "Follow the Money" column was prepared exclusively for The Pilot.

BY J. BARLOW HERGET  
N.C. Center for Voter Education

Raleigh

Who knew? The General Assembly adopted some modest proposals for reforming local government elections and to increase revenues for the public fund that helps pay for appellate court elections.

But it quietly ignored the ambitious lobbying reform bills proposed by Sen. Tony Rand, D-Fayetteville, and Rep. Joe Hackney, D-Chapel Hill before it adjourned and left town. Actually, that was expected.



HERGET

Unexpected was the legislature's overwhelming adoption of a campaign finance reform bill in the final days of the short session. The measure, affecting corporate contributions, also was sponsored by Rand. The new law prohibits corporations from dumping money into political non-profit organizations for

"issue ads" that are really campaign advertising for and against targeted candidates. It was a welcome surprise.

"Senator Rand and legislators of both parties really stepped up to the plate and took action to restore people's faith and confidence in the system," said Chris Heagarty, executive director of the nonpartisan N.C. Center for Voter Education. "This bill will really help stop electioneering by special interest groups that try to hide their agenda from voters behind misleading names."

Heagarty was referring to political non-profit committees that have come into their own in this election year. They are nicknamed "527s" after the IRS code under which they are filed. Many have high-sounding names that almost invite you to send a contribution.

## Deceptive Names

Legally, they cannot directly contribute to an individual's political campaign. They cannot work together with an individual's campaign; no joint strategy meetings; no sharing of information behind closed doors.

They can pay for advertisements that supposedly educate the voter or encourage voter participation or focus on "issues," so long as they don't specifically endorse the victory or

defeat of a candidate.

For example, one 527 that showed up in the Democratic presidential primary was "Americans for Jobs, Health Care and Progressive Values." Despite the wonderful name, the real purpose of the group was to sponsor television ads that bashed former Vermont Gov. Howard Dean. Press reports later identified some of the group's directors as supporters of Sen. John Kerry, now the Democratic presidential nominee.

North Carolina's Sen. John Edwards had his own 527, New American Optimists. Much of its spending went into political groups such as the Iowa, New Hampshire, and South Carolina Democratic parties that were in a position to help his presidential bid.

There are other 527s with more familiar names: The Republican Governors' Association, The Democratic Governors' Association, the Republican Majority Issues Committee, The Sierra Club Voter Education Fund, Emily's List. And they're growing like kudzu.

The state legislature seemed uninterested in 527s until press reports revealed the handiwork of two 527s close to home. These North

see HERGET, page C3

FEDERAL AND STATE AFFAIRS

Date 8-7-06  
Attachment //





PEGGY MAST  
REPRESENTATIVE, 76TH DISTRICT  
765 ROAD 110  
EMPORIA, KANSAS 66801  
(620) 343-2465  
  
ROOM 446-N CAPITOL BLDG.  
TOPEKA, KS 66612  
(785) 296-7685

COMMITTEE ASSIGNMENTS  
VICE-CHAIR: HEALTH & HUMAN SERVICES  
UTILITIES  
SOCIAL SERVICES BUDGET

TOPEKA  
—  
HOUSE OF  
REPRESENTATIVES

Testimony before the  
House Federal and State Affairs Committee  
Regarding  
House Bill 2728  
on  
February 7, 2006

Mr. Chairman and Members of the Committee:

Thank you for giving this bill a hearing today. As you know, one of the greatest thrills of serving in office is the opportunity to meet young people who have good ideas and who are not afraid to verbalize them.

My young constituent, Tanner Burenheide, approached me several months ago and expressed disappointment that his father was unable to celebrate a holiday that was given in honor of him and his service to our nation, because he had to work that day. Tanner explained to me that he felt strongly that veterans should be given that day off to allow them the opportunity to walk in parades and be recognized for who they are and the service that they have rendered to their country.

How can we argue with that? It is for this reason that we are meeting today to give Tanner and others an opportunity to speak up on this topic. Thank you for giving them the chance to be heard. I am in strong hopes that you will support House Bill 2728 and vote it onto the House floor.

Respectfully Submitted,

Peggy Mast  
Representative, 76<sup>th</sup> District

FEDERAL AND STATE AFFAIRS  
Date 2-6-06  
Attachment 12

**Testimony for House Bill 2728  
House Federal and State Affairs Committee  
February 7<sup>th</sup>  
Tanner Burenheide  
215 Rural  
Emporia, KS 66801**

**Dear Representative Mast and Fellow Committee Members,**

**Let me first begin by thanking all of you for allowing me to share some of my thoughts with you today, and for giving your time and thoughtful consideration to what I hope everyone will agree should become an important matter of legislation.**

**My name is Tanner Burenheide of Emporia, KS, and I am the proud son of retired Sgt. First Class Scott Burenheide, of the U.S. Army Reserve. I am here to encourage you to support a bill that will give all veterans a paid holiday on Veterans Day.**

**My dad served in both Desert Storm & Operation Iraqi Freedom. This year it occurred to me that Veterans Day, as we know it, is not much of an honor to my dad, a veteran of this great state and of this nation, or to the other past and present members of our military forces, when they are often not allowed the opportunity to participate in the events and activities that are held on Veterans Day. Many veterans, especially younger ones, like my father, do not get to take part in the activities meant to honor them because they must work on Veterans Day. I think it is a shame that sometimes the only veterans that can participate in Veterans Day activities are those who are retired (not just from the service, but from their other jobs as well).**

**There are two main types of veterans: deceased and living. Veterans Day is not meant just as a tribute to our deceased military members. Our service men and women make countless sacrifices for our state and country. Must they also sacrifice a day's wages and possibly loss of status with their employer, as well, in order to enjoy a day which is specifically set aside to honor them?**

**Federal employees are given paid holidays in observance of such important dates as Presidents Day, Independence Day, Memorial Day, and Veterans Day. Why can't we have a law that truly reflects our respect, admiration, and honor for the service and commitment of the men and women who helped create and continue to preserve freedom and democracy in our great state and nation?**

**I would like to know that when Veterans Day comes around next year, my family can count on standing beside my father at the many activities in which we wish to participate in order to honor him and all veterans. We can be assured that he won't have to choose between job security and the loyalty and patriotism he feels towards his country and fellow veterans.**

**Please make this bill a priority and remember that the very freedoms we enjoy are at the sacrifice of our veterans, so let's not ask them to make additional sacrifices on a day that is meant to honor them. Thank you for your time and consideration.**

FEDERAL AND STATE AFFAIRS

Date 2-7-06

Attachment 13

**Carroll Neff**

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**From:** "Charles Yunker" <yunker@ksamlegion.org>  
**To:** <carrolln@house.state.ks.us>, "Peggy Mast" <Mast@house.state.ks.us>  
**Date:** 2/7/2006 10:03 AM

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American Legion testimony on HB 2728 by Chuck Yunker

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**Testimony before the  
House Federal and State Affairs Committee  
Regarding House Bill 2728  
February 7, 2006  
By  
Charles M. Yunker, Adjutant  
The American Legion Department of Kansas**

Thank you for providing me the opportunity to testify in favor of House Bill 2728. Years ago Congress wisely choose not to move Veterans Day to a Monday in the same manner as Washington and Lincoln's Birthday, and Memorial Day. The reasoning for moving holidays to Monday was in part to avoid stopping commerce when those observances occurred in the middle of the week. Although moving Veterans Day to a Monday was certainly considered, Congress wisely choose not to re-write history because of the significance of the eleventh hour, on the eleventh day, of the eleventh month marking what was called the War to End All Wars. Of course that war was better known as World War I and just twenty two years later America found itself at war once again.

Originally known as Armistice Day, November 11 became an annual day of celebration throughout America as veterans of World War I were honored with parades, dinners and other gatherings. That is until America entered World War II and resources needed to be used to support the war effort. After the Second World War Armistice Day celebrations resumed up to and including the Korean War. It was during the Korean War that a gentleman from Emporia, Kansas although not a veteran himself believed a day should be set aside to recognized and pay tribute to all who had served in the armed forces. Thus began the successful campaign to change Armistice Day to Veterans Day signed into law by President Eisenhower in 1953.

At the time most veterans were given the day off by their employers and many of those veterans received a day's wage. Unfortunately time has a way of changing things and sometimes not for the better; the pressure of society to compete and produce in the late 1950's and into the 1960's began to chip away at the annual celebration of Veterans Day activities. The anti-war sediment of the mid to late 1960's reduced Veterans Day to an excuse for merchants to promote "Veterans Day" sales instead of honoring the sacrifices made by millions of men and women who choose to defend our nation. As a veteran I feel insulted every year when I see newspaper and television ads using the day to sell, sell, sell. Gone are days off for veterans, most schools now remain open and it seems the only people who get the day off are those who work for the government (with pay of course). Instead of educating students of the significance of Veterans Day, students are lucky if the day is even mentioned

FEDERAL AND STATE AFFAIRS

Date 2-7-06

Attachment 14

Emporia, Kansas the home of Veterans Day, has the right idea, in fact you might think Emporia has gone overboard with their week long observance and different activities scheduled every day. The Leavenworth community sponsors what is believed to be the largest Veterans Day parade west of the Mississippi River. In both instances many veterans are given the day off in honor of their service to America. Sometimes the old ways are better; and Veterans Day gives us the opportunity to step back if just for a day, to remember those who answered the call to arms so all of us can enjoy our freedoms. I don't believe that is too much to ask therefore I encourage your support of House Bill 2728.

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TESTIMONY BEFORE THE HOUSE FEDERAL & STATE AFFAIRS COMMITTEE  
REGARDING HOUSE BILL 2728 ON FEBRUARY 7, 2006  
BY KEN STODGELL, VFW STATE LEGISLATIVE CHAIRMAN

Chairman Edmonds, members of the committee, I'm Ken Stodgell, State Legislative Chairman for the Veterans of Foreign Wars and I thank you for the opportunity to come before this committee in support of HB 2728.

Given what veterans have sacrificed for the state and country, it certainly seems appropriate that their employers would allow them this small gesture of appreciation for their service.

Veterans Day is a special day for veterans, with many ceremonies being conducted in their honor and in honor of those who paid the supreme sacrifice. All veterans should have the opportunity to participate if they desire. This is a recognized legal Federal and State holiday.

We therefore urge your support for this bill.

I stand for questions.

FEDERAL AND STATE AFFAIRS

Date 2-7-06

Attachment 15



Testimony before the House Federal & State Affairs Committee  
Regarding House Bill 2728  
on February 7,2006

To: Members of the House Federal & State Affairs Committee

From: Frank Lowery, Emporia, Kansas

Ladies and Gentlemen,

Thank you for your time today. My name is Frank Lowery, and I'm from Emporia.

I would like to speak to you concerning the phrase "Life, Liberty and the pursuit of Happiness;" a phrase you are all familiar with, but one that I feel is being taken for granted all across this great nation. I think that many in this country think this phrase is their "God given RIGHT," and in the beginning it may very well have been. However, for the last two hundred and thirty years the United States Military have guaranteed these privileges and ideals. As more and more people pour into this country the further and further "we" as a nation seem to be getting away from recognizing the sacrifices made by our military veterans to ensure the freedoms we so anxiously enjoy and demand.

I support House Bill 2728 not just because I am a veteran, but in part because of what President Ronald Reagan said in 1981, and I quote "Freedom is never more than one generation away from extinction, it must be fought for, protected and handed on." And I support this bill in part because it sends the message that we as Americans understand that our Freedoms, our Rights and our Privileges have come with a price and our Veterans have paid that price. And finally, I support this bill because it is simply the right thing to do.

Thank You.

FEDERAL AND STATE AFFAIRS

Date 2-7-06

Attachment 16

# Frank L. Nichols

Emporia, Kansas 66801  
Home Phone: 620-342-6772

TESTIMONY FOR HOUSE BILL 2728  
HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

February 7, 2006

Thank you Ladies & Gentlemen for allowing me to provide this testimony to you, this day, on behalf of working veterans, in the state of Kansas. My name is Frank Lee Nichols. I have lived in Emporia, Kansas, founding city of VETERANS DAY, for the last 9 years and in the great state of Kansas for the last 25 years. I served in the United States Navy from 1967 till 1973. Serving in the Vietnam conflict in 1968-69 and was presented the Combat Action Ribbon in 1969 for coming under enemy fire and for returning fire to the enemy. Since being HONORABLY discharged from the U.S. Navy in 1973, I have worked in manufacturing industries in four different states. These different manufacturing sites have treated Veterans Day in different ways, mainly depending on the management of the company. I am currently employed by the Hopkins Manufacturing Corporation of Emporia, Kansas, as the Plant Engineer and Safety & Health Coordinator. This employer recognizes the veteran for accounting purposes only. They do not allow the veteran, to observe Veterans Day, unless the veteran takes that day off, as a day of their vacation or as an unpaid absence. I have served as the Commander of the Flint Hills Area Vietnam Veterans association and am currently serving as the Post Commander of The American Legion, Ball-McColm Post #5 of Emporia, Kansas.

Let me now speak personally;

Since the day that I left active service to our nation, I have not been able to participate in any type of Veterans Day events except for the last two years, when I have had to take the day, as a vacation day, away from my work responsibilities. Ask me why I didn't do it earlier and I will tell you that it wasn't until this country saw the need for the soldier, to defend our way of life, HERE, on American soil, did it become evident that our living veterans, need to be shown that we honor the living, not only the dead. By taking part in Veterans' Day events, I therefore show to the general public, that the veteran is very important and that they are in every part of our society, still serving the needs of our country. Is it not right that we should honor the ones that have served us? Do we not honor you this day, to come and present to you this day, an HONORABLE cause. It is American-way, but it's sad to say, that employers are **only** interested in making money and do not honor the veteran who has had a part in keeping their business free. The veteran has answered the call of our nation to serve while others have stayed at home. We are only now, starting to see and understand, the sacrifice that has been given by the Veteran. Whether the veteran is of a period long ago or of the present, it's time our businesses and our state, acknowledge the roll that veterans have played, and honor that service with a Veterans Day which is mandated, granted, and recognized by the employer. Therefore, I voice my support for HB 2728.

FEDERAL AND STATE AFFAIRS

Date 2-7-06

Attachment 17

Thank you for this opportunity to make this presentation before you.

**Respectfully,**

**Frank Lee Nichols**