

HOUSE BILL No. 2309

By Committee on Elections

2-11

1 AN ACT concerning campaign finance; relating to transfer of campaign
2 funds; amending K.S.A. 25-4157 and K.S.A. 2010 Supp. 25-4143 and
3 25-4157a and repealing the existing sections.
4

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

6 Section 1. K.S.A. 2010 Supp. 25-4143 is hereby amended to read as
7 follows: 25-4143. As used in the campaign finance act, unless the context
8 otherwise requires:

9 (a) "Candidate" means an individual who: (1) Appoints a treasurer or
10 a candidate committee;

11 (2) makes a public announcement of intention to seek nomination or
12 election to state or local office;

13 (3) makes any expenditure or accepts any contribution for such
14 person's nomination or election to any state or local office; or

15 (4) files a declaration or petition to become a candidate for state or
16 local office.

17 (b) "Candidate committee" means a committee appointed by a
18 candidate to receive contributions and make expenditures for the
19 candidate.

20 (c) "Clearly identified candidate" means a candidate who has been
21 identified by the:

22 (1) Use of the name of the candidate;

23 (2) use of a photograph or drawing of the candidate; or

24 (3) unambiguous reference to the candidate whether or not the name,
25 photograph or drawing of such candidate is used.

26 (d) "Commission" means the governmental ethics commission.

27 (e) (1) "Contribution" means:

28 (A) Any advance, conveyance, deposit, distribution, gift, loan or
29 payment of money or any other thing of value given to a candidate,
30 candidate committee, party committee or political committee for the
31 express purpose of nominating, electing or defeating a clearly identified
32 candidate for a state or local office-;

33 (B) any advance, conveyance, deposit, distribution, gift, loan or
34 payment of money or any other thing of value made to expressly
35 advocate the nomination, election or defeat of a clearly identified
36 candidate for a state or local office;

1 (C) a transfer of funds between any two or more candidate
2 committees, party committees or political committees;

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

7 (E) the purchase of tickets or admissions to, or advertisements in
8 journals or programs for, testimonial events; *and*

9 (F) a mailing of materials designed to expressly advocate the
10 nomination, election or defeat of a clearly identified candidate, which is
11 made and paid for by a party committee with the consent of such
12 candidate.

13 (2) "Contribution" does not include:

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

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

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

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

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

27 (f) "Election" means:

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

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

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

32 (A) Any purchase, payment, distribution, loan, advance, deposit or
33 gift of money or any other thing of value made by a candidate, candidate
34 committee, party committee or political committee for the express
35 purpose of nominating, electing or defeating a clearly identified candidate
36 for a state or local office.;

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

41 (C) any contract to make an expenditure;

42 (D) a transfer of funds between any two or more candidate
43 committees, party committees or political committees; or

- 1 (E) payment of a candidate's filing fees.
- 2 (2) "Expenditure" does not include:
- 3 (A) The value of volunteer services provided without compensation;
- 4 (B) costs to a volunteer incidental to the rendering of volunteer
- 5 services not exceeding a fair market value of \$50 during an allocable
- 6 election period as provided in K.S.A. 25-4149, and amendments thereto;
- 7 (C) payment by a candidate or candidate's spouse for personal
- 8 meals, lodging and travel by personal automobile of the candidate or
- 9 candidate's spouse while campaigning or payment of such costs by the
- 10 treasurer of a candidate or candidate committee;
- 11 (D) the value of goods donated to events such as testimonial events,
- 12 bake sales, garage sales and auctions by any person not exceeding fair
- 13 market value of \$50 per event; or
- 14 (E) any communication by an incumbent elected state or local
- 15 officer with one or more individuals unless the primary purpose thereof is
- 16 to expressly advocate the nomination, election or defeat of a clearly
- 17 identified candidate.
- 18 (h) "Expressly advocate the nomination, election or defeat of a
- 19 clearly identified candidate" means any communication which uses
- 20 phrases including, but not limited to:
- 21 (1) "Vote for the secretary of state;"
- 22 (2) "re-elect your senator;"
- 23 (3) "support the democratic nominee;"
- 24 (4) "cast your ballot for the republican challenger for governor;"
- 25 (5) "Smith for senate;"
- 26 (6) "Bob Jones in '98;"
- 27 (7) "vote against Old Hickory;"
- 28 (8) "defeat" accompanied by a picture of one or more candidates; or
- 29 (9) "Smith's the one."
- 30 (i) "Party committee" means:
- 31 (1) The state committee of a political party regulated by article 3 of
- 32 chapter 25 of the Kansas Statutes Annotated, and amendments thereto;
- 33 (2) the county central committee or the state committee of a political
- 34 party regulated under article 38 of chapter 25 of the Kansas Statutes
- 35 Annotated, and amendments thereto;
- 36 (3) the bona fide national organization or committee of those
- 37 political parties regulated by the Kansas Statutes Annotated;
- 38 (4) not more than one political committee established by the state
- 39 committee of any such political party and designated as a recognized
- 40 political committee for the senate;
- 41 (5) not more than one political committee established by the state
- 42 committee of any such political party and designated as a recognized
- 43 political committee for the house of representatives; or

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

6 (j) "Person" means any individual, committee, corporation,
7 partnership, trust, organization or association.

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

14 (2) "Political committee" shall not include a candidate committee or
15 a party committee.

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

19 (m) "State office" means any state office as defined in K.S.A. 25-
20 2505, and amendments thereto.

21 (n) "Testimonial event" means an event held for the benefit of an
22 individual who is a candidate to raise contributions for such candidate's
23 campaign. Testimonial events include but are not limited to dinners,
24 luncheons, rallies, barbecues and picnics.

25 (o) "Treasurer" means a treasurer of a candidate or of a candidate
26 committee, a party committee or a political committee appointed under
27 the campaign finance act or a treasurer of a combination of individuals or
28 a person other than an individual which is subject to paragraph (2) of
29 subsection (a) of K.S.A. 25-4172, and amendments thereto.

30 (p) "Local office" means a member of the governing body of a city
31 of the first class, any elected office of a unified school district having
32 35,000 or more pupils regularly enrolled in the preceding school year, a
33 county or of the board of public utilities.

34 Sec. 2. K.S.A. 25-4157 is hereby amended to read as follows: 25-
35 4157. ~~Before~~*Except as provided in subsection (b), before* any candidate
36 committee, party committee or political committee may be dissolved or
37 the position of a candidate's treasurer terminated, the treasurer of the
38 candidate or such committee shall file a termination *or inactive status*
39 report which shall include full information as to the disposition of
40 residual funds. Any report required by K.S.A. 25-4148, and amendments
41 thereto, may be a termination report. Reports of the dissolution of
42 candidate committees of candidates for state office, the termination of the
43 treasurer of a candidate for state office, the dissolution of a political

1 committee the major purpose of which is to support or oppose any
2 candidate for state office and the dissolution of party committees shall be
3 filed in the office of the secretary of state. Reports of the dissolution of
4 candidate committees of candidates for local office, the termination of the
5 treasurer of a candidate for local office and the dissolution of a political
6 committee the major purpose of which is to support or oppose any
7 candidate for local office shall be filed in the office of the county election
8 officer of the county.

9 *(b) Any candidate committee which makes a transfer of residual*
10 *funds to a bona fide successor committee or candidacy in accordance*
11 *with K.S.A. 25-4157a, and amendments thereto, may file an inactive*
12 *status report in lieu of a termination report. The inactive status report*
13 *shall contain full information as to the disposal of residual funds. The*
14 *inactive status report shall be filed in the same manner as a termination*
15 *report. Any candidate committee which makes a transfer of residual funds*
16 *to a bona fide successor committee or candidacy in accordance with*
17 *K.S.A. 25- 4157a, and amendments thereto, and which files an inactive*
18 *status report shall be placed on inactive status pursuant to this*
19 *subsection and shall file all other reports required by this act. No*
20 *candidate committee, which makes a transfer of residual funds to a bona*
21 *fide successor committee or candidacy in accordance with K.S.A. 25-*
22 *4157a, and amendments thereto, and which has been placed on inactive*
23 *status, shall accept any funds or other contributions while on inactive*
24 *status. No candidate committee, which makes a transfer of residual funds*
25 *to a bona fide successor committee or candidacy in accordance with*
26 *K.S.A. 25-4157a, and amendments thereto, and which has been placed on*
27 *inactive status, shall be returned to active status until the bona fide*
28 *successor committee or candidacy has been terminated as required by*
29 *this act.*

30 Sec. 3. K.S.A. 2010 Supp. 25-4157a is hereby amended to read as
31 follows: 25-4157a. (a) No moneys received by any candidate or candidate
32 committee of any candidate as a contribution under this act shall be used
33 or be made available for the personal use of the candidate and no such
34 moneys shall be used by such candidate or the candidate committee of
35 such candidate except for:

- 36 (1) Legitimate campaign purposes;
- 37 (2) expenses of holding political office;
- 38 (3) contributions to the party committees of the political party of
39 which such candidate is a member;
- 40 (4) any membership dues related to the candidate's campaign paid to
41 a community service or civic organization in the name of the candidate;
- 42 (5) any donations paid to a community service or civic organization
43 in the name of the candidate or candidate committee of any candidate but

1 only if the candidate receives no goods or services unrelated to the
2 candidate's campaign as a result of the payment of such donations;

3 (6) expenses incurred in the purchase of tickets to meals and special
4 events sponsored by any organization the major purpose of which is to
5 promote or facilitate the social, business, commercial or economic well
6 being of the local community; or

7 (7) expenses incurred in the purchase and mailing of greeting cards
8 to voters and constituents.

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

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

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

23 (1) A candidate or candidate committee from accepting moneys
24 from another candidate or candidate committee if such moneys constitute
25 a reimbursement for one candidate's proportional share of the cost of any
26 campaign activity participated in by both candidates involved. Such
27 reimbursement shall not exceed an amount equal to the proportional share
28 of the cost directly benefiting and attributable to the personal campaign of
29 the candidate making such reimbursement; *or*

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

33 (d) ~~At the time of the termination of any campaign and prior to the~~
34 ~~filing of a termination report in accordance with K.S.A. 25-4157, and~~
35 ~~amendments thereto, all residual funds otherwise not obligated for the~~
36 ~~payment of expenses incurred in such campaign or the holding of office~~
37 ~~shall be contributed to a charitable organization, as defined by the laws of~~
38 ~~the state, contributed to a party committee or returned as a refund in~~
39 ~~whole or in part to any contributor or contributors from whom received or~~
40 ~~paid into the general fund of the state.~~*At the time of the termination or*
41 *placement on inactive status of any campaign and prior to the filing of a*
42 *termination or inactive status report in accordance with K.S.A. 25-4157,*
43 *and amendments thereto, all residual funds shall be used first to retire*

1 any debt in such account. Any residual funds remaining after the
2 retirement of all debt in such account not otherwise obligated for the
3 payment of expenses incurred in such campaign or the holding of office,
4 or any portion of such funds, shall be:

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

7 (2) contributed to a party committee;

8 (3) returned as a refund in whole or in part to any contributor or
9 contributors from whom such funds were received;

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

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

13 Whenever a transfer to a bona fide successor committee or candidacy
14 is made pursuant to paragraph (5), all moneys shall be transferred to the
15 bona fide successor committee or candidacy. Once a transfer has been
16 made to a bona fide successor committee or candidacy, the candidate
17 shall be prohibited from making any further transfer back to any
18 campaign committee or candidacy for the office from which the original
19 transfer was made.

20 (e) For the purposes of this section, "bona fide successor committee
21 or candidacy" means the candidate's campaign committee or candidacy
22 for a public office initiated at the termination or placement on inactive
23 status of the original candidacy.

24 New Sec. 4. (a) Upon transferring money to a bona fide successor
25 committee or candidacy as defined by subsection (e) of K.S.A. 25-4157a,
26 and amendments thereto, the candidate may not accept any contributions
27 to the original candidacy. Contributions to the bona fide successor
28 committee or candidacy shall be subject to the contribution limits set
29 forth in K.S.A. 25-4153, and amendments thereto, for the successor
30 public office sought. If any contribution to the bona fide successor
31 committee or candidacy is received from a person who made a
32 contribution to the original candidacy, the amount of such contribution to
33 the bona fide successor committee or candidacy shall not exceed the
34 difference between the contribution limit imposed by K.S.A. 25-4153,
35 and amendments thereto, for the public office sought by the bona fide
36 successor committee or candidacy and the aggregate amount of all
37 contributions made by such person to the original candidacy.

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

40 New Sec. 5. (a) For the period commencing on January 1, 1976, and
41 ending December 12, 2003, any candidate who transferred campaign
42 funds to a bona fide successor candidacy, as such term is defined in
43 K.S.A. 25-4157a, and amendments thereto, shall be deemed to have made

1 such transfer in compliance with the provisions of the campaign finance
2 act in existence at the time of such transfer, regardless of when the
3 original campaign fund is closed after the date such transfer was made,
4 and such transfer is hereby validated.

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

7 Sec. 6. K.S.A. 25-4157 and K.S.A. 2010 Supp. 25-4143 and 25-
8 4157a are hereby repealed.

9 Sec. 7. This act shall take effect and be in force from and after its
10 publication in the statute book.

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